Annual Report

of the

Secretary of the Treasury

on the

State of the Finances

For the Fiscal Year Ended June 30, 1963

TREASURY DEPARTMENT

DOCUMENT NO. 3231

Secretary

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SECRETARY, UNDER SECRETARIES, GENERAL COUNSEL, AND ASSISTANT SECRETARIES OF THE TREASURY DEPARTMENT FROM JANUARY 21, 1961, TO DECEMBER 16, 1963 [1]

Term of service		Official
From	To	
		Secretary of the Treasury
Jan. 21, 1961	--------------	Douglas Dillon, New Jersey.
		Under Secretary
Feb. 3, 1961	--------------	Henry H. Fowler, Virginia.
		Under Secretary of the Treasury for Monetary Affairs
Jan. 31, 1961	--------------	Robert V. Roosa, New York.
		General Counsel
Apr. 5, 1961	Oct. 6, 1962	Robert H. Knight, Virginia.
Nov. 16, 1962	--------------	G. d'Andelot Belin, Massachusetts.
		Assistant Secretaries
Dec. 20, 1957	Dec. 19, 1961	A. Gilmore Flues, Ohio.
Apr. 5, 1961	Oct. 31, 1962	John M. Leddy, Virginia.
Apr. 24, 1961	--------------	Stanley S. Surrey, Massachusetts.
Dec. 20, 1961	--------------	James A. Reed, Massachusetts.
Dec. 18, 1962	--------------	John C. Bullitt, New Jersey.
Sept. 18, 1963	--------------	Robert A. Wallace, Illinois.
		Fiscal Assistant Secretary
June 19, 1955	Mar. 31, 1962	William T. Heffelfinger, District of Columbia.
June 15, 1962	--------------	John K. Carlock, Arizona.
		Administrative Assistant Secretary
Sept. 14, 1959	--------------	A. E. Weatherbee, Maine.

[1] For officials from September 11, 1789, through January 20, 1961, see the 1961 annual report exhibit 32, pp. 389-392.

PRINCIPAL ADMINISTRATIVE AND STAFF OFFICERS OF THE TREASURY DEPARTMENT AS OF DECEMBER 16, 1963

Secretary of the Treasury	Douglas Dillon
Special Assistant to the Secretary	Robert Carswell
Under Secretary of the Treasury	Henry H. Fowler
Special Assistant to the Under Secretary	Douglass Hunt
Under Secretary for Monetary Affairs	Robert V. Roosa
Deputy Under Secretary for Monetary Affairs	Paul A. Volcker
Director, Office of Domestic Gold and Silver Operations	Leland Howard
Director, Office of Financial Analysis	(Vacancy)
Director, Office of Debt Analysis	R. Duane Saunders
Assistant to the Secretary (Debt Management)	Daniel S. Ahearn
General Counsel	G. d'Andelot Belin
Deputy General Counsel	Fred B. Smith
Assistant General Counsel	Roy T. Englert
Assistant General Counsel	Edwin F. Rains
Assistant General Counsel	Hugo A. Ranta
Assistant General Counsel	George F. Reeves
Chief Counsel, Foreign Assets Control	Stanley L. Sommerfield
Director of Practice	Thomas J. Reilly
Assistant Secretary	Stanley S. Surrey
Deputy Assistant Secretary and Director, Office of Tax Anslysis	Jacob A. Stockfisch
Tax Legislative Counsel	Donald C. Lubick
Special Assistant for International Tax Affairs	David R. Tillinghast
Assistant Secretary	James A. Reed
Deputy Assistant Secretary	James P. Hendrick
Aide to the Assistant Secretary	Commander Robert D. Johnson, USCG.
Director, Office of Law Enforcement Coordination	Arnold Sagalyn
Assistant Secretary	John C. Bullitt
Deputy Assistant Secretary	Merlyn N. Trued
Special Assistant to Assistant Secretary	Ralph Hirschtritt
Director, Office of International Affairs	George H. Willis
Assistant Secretary	Robert A. Wallace
Special Assistant to Assistant Secretary	Thomas W. Wolfe
Director, Employment Policy Program	Mrs. Mary F. Nolan
Fiscal Assistant Secretary	John K. Carlock
Deputy Fiscal Assistant Secretary	George F. Stickney
Assistant Fiscal Assistant Secretary	Hampton A. Rabon, Jr.
Assistant to Fiscal Assistant Secretary	Boyd A. Evans
Assistant to Fiscal Assistant Secretary	Frank F. Dietrich
Director, Office of Defense Lending	Robert M. Seabury
Administrative Assistant Secretary	A. E. Weatherbee
Director, Office of Personnel	Amos N. Latham, Jr.
Director, Office of Budget and Finance	Ernest C. Betts, Jr.
Director, Office of Management and Organization	James H. Stover
Director, Office of Administrative Services	Paul McDonald
Director, Office of Security	Thomas M. Hughes
Assistant to the Secretary (Congressional Relations)	Joseph W. Barr
Deputy Assistant to the Secretary (Congressional Relations)	Joseph M. Bowman, Jr.

Assistant to the Secretary (Public Affairs)	Dixon Donnelley
Deputy Assistant to the Secretary (Public Affairs)	Stephen C. Manning, Jr.
Assistant to the Secretary (National Security Affairs)	Charles A. Sullivan
National Security Affairs Adviser	Bradley H. Patterson, Jr.
Director, Office of Foreign Assets Control	Mrs. Margaret W. Schwartz
Senior Consultant	Seymour E. Harris
Special Assistant to the Secretary and Director, Executive Secretariat	Donald I. Lamont

BUREAU OF ACCOUNTS

Commissioner of Accounts	Harold R. Gearhart
Assistant Commissioner	Sidney S. Sokol
Staff Assistant to the Commissioner	George Friedman
Assistant Commissioner for Administration	John H. Henriksen
Chief Disbursing Officer	Julian F. Cannon
Chief Auditor	Harold A. Ball
Deputy Commissioner for Systems	Ray T. Bath
Deputy Commissioner for Central Accounts	Howard A. Turner
Deputy Commissioner for Central Reports	Lyle D. Mosso (Acting)
Deputy Commissioner for Deposits and Investments	Sidney Cox

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Commissioner of Customs	Philip Nichols, Jr.
Assistant Commissioner of Customs	David B. Strubinger
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Chief Counsel	Robert Chambers
Deputy Commissioner, Division of Appraisement Administration	Walter G. Roy
Deputy Commissioner, Division of Classification and Drawbacks	William E. Higman
Deputy Commissioner, Division of Entry, Value, and Penalties	Burke H. Flinn
Deputy Commissioner, Division of Investigations and Enforcement	Lester D. Johnson
Deputy Commissioner, Division of Management and Controls	N. G. Strub
Deputy Commissioner, Division of Marine Administration	R. V. McIntyre
Deputy Commissioner, Division of Technical Services	George Vlases, Jr.

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Director, Bureau of Engraving and Printing	Henry J. Holtzclaw
Assistant Director, Bureau of Engraving and Printing	Frank G. Uhler

BUREAU OF THE MINT

Director of the Mint	Miss Eva Adams
Assistant Director of the Mint	Frederick W. Tate

BUREAU OF NARCOTICS

Commissioner of Narcotics	Henry L. Giordano
Deputy Commissioner of Narcotics	(Vacancy)
Assistant to the Commissioner of Narcotics	George H. Gaffney

BUREAU OF THE PUBLIC DEBT

Commissioner of the Public Debt	Donald M. Merritt
Assistant Commissioner	Ross A. Heffelfinger, Jr.
Deputy Commissioner	Michael E. McGeoghegan
Deputy Commissioner in Charge, Chicago Office	Jack P. Thompson

INTERNAL REVENUE SERVICE

Commissioner of Internal Revenue	Mortimer M. Caplin
Deputy Commissioner	Bertrand M. Harding
Assistant Commissioner (Administration)	Edward F. Preston
Assistant Commissioner (Inspection)	Vernon D. Acree
Assistant Commissioner (Compliance)	Donald W. Bacon
Assistant Commissioner (Data Processing)	Robert L. Jack
Assistant Commissioner (Planning and Research)	William H. Smith
Assistant Commissioner (Technical)	Harold T. Swartz
Chief Counsel	Rudy P. Hertzog (Acting)

OFFICE OF THE COMPTROLLER OF THE CURRENCY

Comptroller of the Currency	James J. Saxon
Administrative Assistant to the Comptroller	Albert J. Faulstich
Deputy Comptroller	William B. Camp
Deputy Comptroller	Justin T. Watson
Deputy Comptroller	Thomas G. DeShazo
Deputy Comptroller	Douglas T. Bushman (Acting)
Deputy Comptroller (Trusts)	Dean E. Miller
Chief National Bank Examiner	R. Coleman Egertson
Chief Counsel	Robert Bloom

OFFICE OF THE TREASURER OF THE UNITED STATES

Treasurer of the United States	Kathryn O'Hay Granahan
Deputy Treasurer	William T. Howell
Assistant Deputy Treasurer	Willard E. Scott

UNITED STATES COAST GUARD

Commandant, U.S. Coast Guard	Admiral Edwin J. Roland
Assistant Commandant	Vice Admiral Donald McG. Morrison
Chief of staff	Rear Admiral James A. Alger, Jr.

UNITED STATES SAVINGS BONDS DIVISION

National Director	William H. Neal
Assistant National Director	Bill McDonald

UNITED STATES SECRET SERVICE

Chief, U.S. Secret Service	James J. Rowley
Deputy Chief	Paul J. Paterni
Assistant Chief	E. A. Wildy

COMMITTEES AND BOARDS

Chairman, Treasury Management Committee	A. E. Weatherbee
Chairman, Treasury Awards Committee	Amos N. Latham, Jr.
Chairman, Treasury Wage Board	Amos N. Latham, Jr.
Employment Policy Officer	Robert A. Wallace
Principal Compliance Officer	Robert A. Wallace

•ORGANIZATION OF THE DEPARTMENT OF THE TREASURY•

December 2, 1963

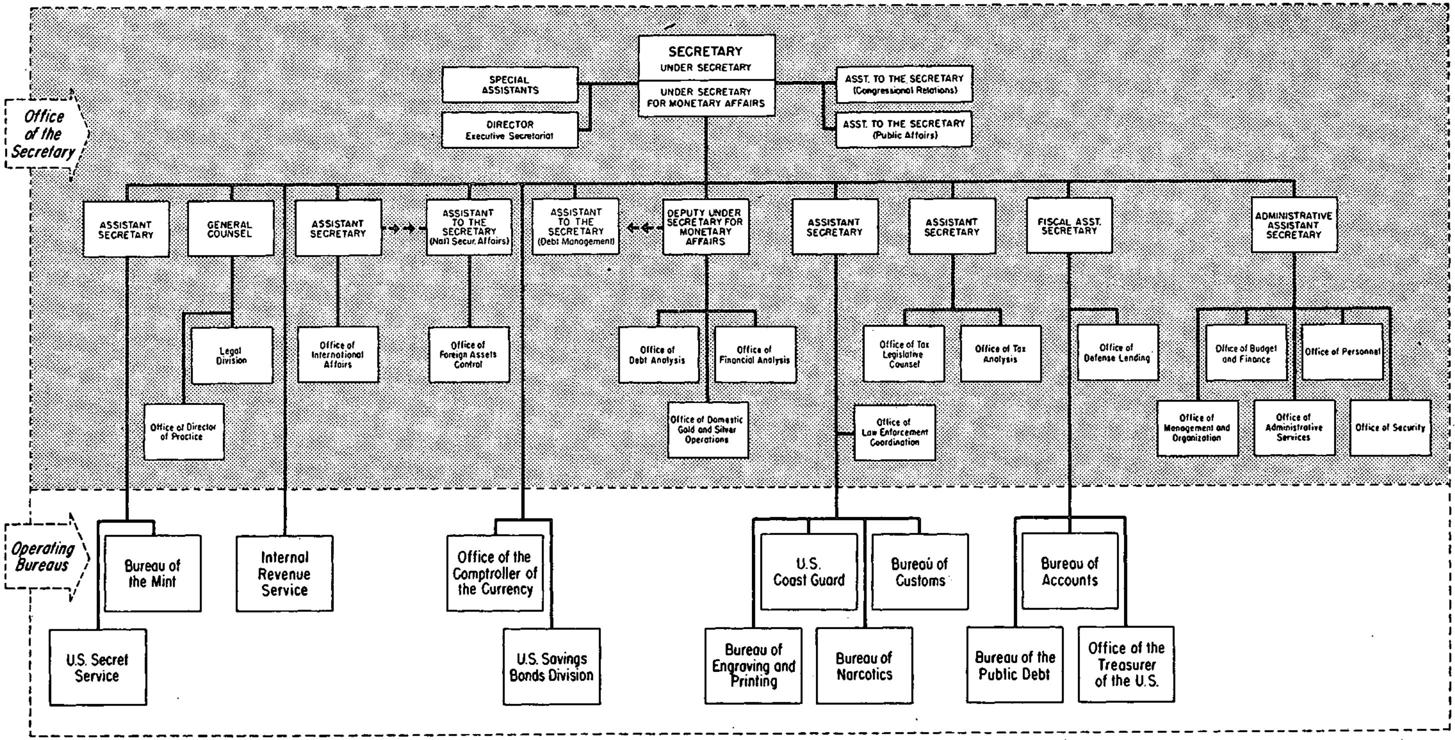

CHART 1

ANNUAL REPORT ON THE FINANCES

TREASURY DEPARTMENT,
Washington, May 15, 1964.

SIRS: I have the honor to report to you on the finances of the Federal Government for the fiscal year 1963.

The sustained economic expansion which began in early 1961 continued through the calendar year 1963. Business investment plans, as well as current signs of growth in other sectors of the economy, point to further substantial gains in 1964. The general reduction in taxes taking effect in 1964 and the President's strong efforts to reduce Government expenditures ensure the enduring vitality of American free enterprise.

In signing the Revenue Act of 1964 on February 26, the President termed it the single most important step taken to strengthen our economy since World War II. The $11.5 billion tax reduction and structural reform which this law provides have broken rigid tax patterns and opened the way to beneficial changes in our economy. Together with the major legislative and administrative measures of 1962, most importantly the investment tax credit and depreciation reform, it serves as a giant step forward in promoting healthy long-term economic growth. By stimulating domestic expansion, the Revenue Act of 1964 is expected to increase both the demand for and the profitability of capital investment at home, thus slowing the outflow of U.S. investment capital and advancing our efforts to reduce the deficit in the U.S. balance of payments.

Balance-of-Payments Policy

During 1963, the Government heightened its continued efforts to reduce the deficit in the U.S. balance of payments. A deterioration in our international accounts during the first half of the calendar year stemmed primarily from a sharp expansion in the outflow of long-term portfolio capital from the United States. During the latter half of the year this deterioration was arrested, and results for the calendar year demonstrated that progress toward balance was again underway.

Recorded private capital investment abroad during the first half of 1963 reached an annual rate more than $2 billion higher than in 1962. A Cabinet Committee on Balance of Payments, chaired by the Secretary of the Treasury, conducted a major review of our

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payments position. Its findings led to President Kennedy's second major message on the balance of payments of July 18, 1963. That message included announcement of a proposed interest equalization tax designed to dampen the rapidly accelerating outflow of long-term portfolio capital from the United States. The President estimated that enactment of this tax, together with the rise in the Federal Reserve discount rate from 3 to 3½ percent, which had occurred just before his message, might be expected to reduce the annual outflow of capital from the United States by $1 billion. The President also proposed administrative measures calculated to reduce by a further $1 billion annually the balance-of-payments impact of U.S. Government overseas expenditures, notably those connected with military defense and with foreign economic assistance.

As provided in the bill passed by the House of Representatives on March 5, the proposed interest equalization tax will have the effect of increasing by approximately one percent a year the cost of foreign long-term borrowing in the U.S. market. The tax will not affect normal export trade financing or apply to borrowing by the developing countries. The tax is designed not to eliminate foreign investment, but to bring it within the limits of our current capacities—while at the same time preserving the traditional role of the market mechanism as the impersonal arbiter in any particular financing. The bill provides that the tax would apply until the end of calendar 1965.

Reductions in capital outflow during the second half of the calendar year were largely responsible for a dramatic improvement in the balance-of-payments position. The deficit on regular transactions, which had reached the clearly unsustainable seasonally adjusted annual rate of over $5 billion during the second quarter, dropped to a rate of about $2 billion in the last half of the year.

The Treasury and the Federal Reserve continued to conduct official foreign exchange operations in most of the major currencies of the world during the year. (These operations are explained more fully elsewhere in this report.) The Treasury continued the sale to foreign monetary authorities of two series of nonmarketable securities, one denominated in dollars and the other denominated in the currency of the buying country. These securities furnish an outlet for the investment of foreign reserve funds and offer an alternative to gold purchases. The proceeds from their sale supply the Treasury with funds for foreign exchange operations. On December 31, 1963, Treasury obligations of these series were outstanding in the amount of more than $1.3 billion.

Gold sales for the calendar year were $461 million, compared with $891 million in the preceding calendar year.

International Monetary and Financial Cooperation

The special borrowing arrangements between the International Monetary Fund and the Group of Ten countries which became effective in October 1962, provide that the members of the group will lend up to a total equivalent of $6 billion in their own currencies to the Fund if such additional resources should be needed to forestall or cope with an impairment of the international monetary system. Thus far it has not been necessary for any of the members of the Group of Ten to supply additional currency to the Fund for this purpose, and the Fund's transactions have been carried out with the resources available to it from the ordinary subscriptions of member countries. The availability of these resources, however, gives assurance that the major countries are prepared to cooperate in dealing with the financial problems which might arise from sudden or speculative large-scale movements of capital such as may occur now that all the major currencies have returned to convertibility.

For the first time, in July 1963, the United States entered into a standby arrangement with the International Monetary Fund in the amount of $500 million. The primary purpose of this arrangement is to facilitate repayments to the Fund by countries which wish to use part of their dollar holdings for this purpose. Under its Articles of Agreement the Fund may not hold currencies of a member in excess of 75 percent of that member's quota, unless the member itself has drawn on the Fund. By the end of our fiscal year 1963, the Fund's holdings of dollars were rapidly approaching this 75-percent limit, not as a result of U.S. borrowing, since, up to that time the United States had never borrowed from the Fund, but as a result of repayments in dollars by those countries which had. Under the new standby arrangement, the United States was prepared to draw from the Fund currencies acceptable under the Fund's Articles of Agreement and to sell these currencies for dollars to countries which otherwise would have had to convert their dollars in world exchange markets. In this way the dollar's usefulness in settling international obligations, including obligations to the International Monetary Fund, is maintained while the dollars received by the United States in exchange for the currencies paid to the Fund are, in practice, withdrawn from the foreign exchange market and the potential demand for conversion of dollars into gold is thus reduced.

In February 1964, the dollar holdings of the Fund reached the 75 percent limit. The United States, therefore, made its first drawing of foreign currency from the Fund. The drawing, made under the July 1963 standby agreement for $500 million, was equivalent to $125 million. The drawing was made primarily in equal amounts of

Deutsche Mark and French francs, with a small portion in Italian lire. The drawing was designed to cover a number of transactions expected to take place in ensuing weeks, rather than any single repayment by another country.

The Finance Ministers of the Group of Ten agreed last October to examine the international monetary system and its probable future needs for liquidity, and to evaluate means for meeting these needs. A Working Group of Deputy Finance Ministers from each country under the chairmanship of Under Secretary Roosa has met periodically since then. Along with representatives of the central banks and officials from the International Monetary Fund, the Bank for International Settlements, and the Organization for Economic Cooperation and Development, they have started a systematic examination of the present system and its problems with a view to developing possible new approaches. Related studies have been undertaken by the international organizations. The discussions of the Group of Ten are in large part concerned with the problems which may arise when the United States is no longer supplying additional dollars to the rest of the world through its balance-of-payments deficit. These discussions, therefore, do not in any way reduce the necessity for eliminating our balance-of-payments deficit.

International cooperative efforts to provide capital for the economic progress of the less-developed countries took two significant steps forward during the year. The Inter-American Development Bank has proposed to its constituent members an authorization to increase the Bank's callable capital by $1 billion. The U.S. portion will be $411.8 million. This enlargement in callable capital will enable the Bank to borrow in world financial markets in a manner that will increase its resources for lending without requiring additional payments by the member governments. The Bank also requested a 50-percent increase in the member quotas in the Fund for Special Operations, which is used to finance development credits on flexible terms to deal with special problems of the member countries. The Fund for Special Operations is financed, however, by direct contributions from the member governments, since its loans do not provide the same basis for borrowing as do loans from the ordinary capital. Of the total increase in the Fund for Special Operations of $73.2 million, the U.S. portion will be $50 million. The Congress passed the necessary legislation to enable the United States to subscribe to the proposed increases in resources in January 1964.

The Congress in May 1964 also approved a proposal submitted by the Administration to authorize an increased contribution by the United States to the International Development Association. This Association, an affiliate of the International Bank for Reconstruction

and Development, makes credits to the less-developed member countries which, because of heavy external debt burdens, cannot afford the repayment terms of conventional international loans. These credits, however, serve the same important purpose of economic development as do conventional IBRD loans. The 17 economically advanced member countries of IDA have agreed to provide additional resources aggregating $750 million over a three-year period, beginning in the fiscal year 1966. The U.S. portion of this contribution, to be appropriated later, will be $104 million for each of the three years. This agreement represents an important additional step in the continuing efforts of the United States to encourage other industrialized nations to share in financing the development of the less fortunate nations of the free world.

Tax Policy

The Revenue Act of 1964 was the third major step in the Administration program to revise basic tax policy. Retroactive to January 1, the act embodies proposals set forth in the tax message of the President to the Congress of January 24, 1963, which recommended general rate reductions and various structural reforms. This legislation followed the Revenue Act of 1962, the second step in the program, which included an investment credit for business expenditures for productive equipment. As the first step, the Treasury in mid-1962 had administratively issued revised guidelines and procedures for determining depreciation of plant and equipment for tax purposes.

Taken together, these measures are designed to nourish vigorous business expansion and sustained economic growth. The balanced reduction of individual and business income taxes is intended to increase consumption and accelerate investment so that the resultant rise in national income will be several times the amount of the initial tax cut.

The investment credit established by the Revenue Act of 1962 and the more rapid rate of depreciation under the revised guidelines reduced calendar 1962 corporate taxes by $2.25 billion. That reduction, together with the $2.4 billion tax reduction when the Revenue Act of 1964 becomes fully effective, lowers corporation income taxes approximately 19 percent. Individual taxpayers as a group also receive a tax reduction of approximately 19 percent when the 1964 act takes full effect.

The Revenue Act of 1964 includes abundant benefits for small business. Small corporations gain from the 27-percent reduction in the corporation tax on the first $25,000 of corporate income, compared with the average overall reduction in corporation tax rates of 9 percent. Owners of unincorporated businesses benefit from the larger individual

rate reductions. They also continue to benefit from the investment credit and the depreciation reform. These measures, combined, will significantly strengthen the small business enterprises of the economy.

The entire individual income tax rate structure is improved. Low income taxpayers benefit from a decrease in the starting rate from 20 to 14 percent and a new minimum standard deduction which frees from tax all single individuals with incomes up to $900 and all married couples with incomes up to $1,600. The two provisions afford substantial tax relief at relatively small cost to individuals whose incomes are at very low levels.

At the upper end of the rate schedule the top surtax rate on individual income falls from 91 percent to 70 percent. Individuals subject to high individual surtax rates receive increases in aftertax income which will do much to restore the incentives necessary for the effective operation of our society. There is no reduction in the alternative tax rate on net long-term capital gains or on the percentage of capital gain excluded from tax. This retention of the alternative tax on capital gains at 25 percent, together with the reduction of individual surtax rates, narrows the existing disparity in the tax treatment of high incomes.

The individual rate reduction occurs in two stages, the first effective as of January 1, 1964, and the second a year later. The act provided, however, that shortly after its enactment the withholding rate on individuals' wages and salaries be reduced to its final level of 14 percent.

Of the several structural changes in the income tax other than those in the rate schedules, some raise revenues and some lower revenues. Although the legislation contains less reform than had been recommended by the Administration, the changes made, coupled with those in the 1962 act, provide the largest amount of revenue-raising reforms in income tax history. The revenue-increasing provisions in the 1962 act raised $855 million of revenue. The revenue-increasing changes in the 1964 act will produce gross increases in the long run of $835 million, compared with $770 million from the revenue-decreasing provisions.

A number of structural revisions in the 1964 act curtail special preferences. They include limitations on tax advantages accruing from group term insurance, bank loan insurance, sick pay exclusion, casualty loss deduction, the utilization of personal holding companies, multiple corporation provisions, gifts of future interest, aggregation of mineral properties for computing depletion, and the realization of capital gains on sales of real estate resulting from excessive depreciation; and further reduction of the exclusion of foreign earned income of bona fide foreign residents. Deductions of certain State and local

taxes that were difficult of uniform and equitable administration were eliminated, as was the dividend credit which unduly advantaged the large investor. All of these provisions increase revenues. The act also completed the process of placing larger corporations on a current tax payment basis.

Revenue-decreasing structural changes other than those in the income tax rate schedules include indefinite extension of the five-year capital loss carryover; income averaging for an individual; liberalization of the investment credit and certain computations of the retirement income credit; liberalization of deductions for child care expense, for moving expenses of workers, and for medical expenses of older persons; and a limited exclusion for gain on the sale of a residence by older taxpayers. The act liberalizes tax treatment of receipt of iron ore royalties, certain charitable contributions, installment sales, and foreign expropriation losses. It repeals the two-percent penalty tax paid by corporations for the privilege of filing a consolidated return. Corporations under common control which elect not to take multiple surtax exemptions are allowed an intercorporate dividends credit of 100 percent.

As a whole, at 1963 income levels the Revenue Act of 1964 can be expected to reduce calendar 1964 tax liabilities by $7.7 billion and calendar 1965 liabilities by $11.5 billion. (The latter amount includes the $7.7 billion reduction.) The calendar 1965 effect is virtually the same as the long-term effect before taking into account any impact of the reductions upon the economy. Of the $11.5 billion reduction in 1965, it is estimated that $9.1 billion, or nearly 80 percent of the total, will go to individuals.

At the 1963 levels of income, the act will decrease revenues in fiscal 1964 by $1.6 billion and in fiscal 1965 by $8.5 billion. (The latter amount includes the $1.6 billion reduction.) Since collection tends to lag behind the accruing of liability, the effects of tax reductions in terms of receipts appear in a later year than they do in terms of liabilities. If the rising expansion of business activity expected to accompany the tax reduction is taken into account, the reduction in fiscal year tax collections is expected to be $1.4 billion in 1964 and $4.4 billion in fiscal 1965.

Debt Management

In calendar 1963, a year in which business activity and private credit demands expanded considerably, the major problem of Treasury debt management again was to finance a budget deficit and refund debt maturities without hampering sustained domestic business expansion, while at the same time bolstering the U.S. international payments position. The specific responsibilities of debt management in furthering

these objectives are reviewed in a later section of this report, dealing with the fiscal year 1963 (see pp. 17 to 24).

The financing requirements which had to be met during calendar 1963 were determined largely by the $39.0 billion of marketable certificates of indebtedness, notes, and bonds maturing in that year plus the new money which had to be raised to finance the calendar year's budget deficit of $6.7 billion. Of the $39.0 billion of those maturities, $2 billion was paid off, $18 billion was extended beyond 1964, and only $19 billion was placed in 1964 maturities. In addition, one-third of the net new money borrowed was raised through issues maturing in longer than one year and $5 billion of the 1964 maturities was extended through prerefunding. These various operations considerably reduced the volume of debt which would have to be refinanced in calendar 1964.

Increases in regular weekly and one-year bill issues, totaling $4.3 billion during calendar 1963, contributed on appropriate occasions to keeping U.S. Treasury bill rates at levels competitive with short-term interest rates available in foreign money centers. At the same time, marketable certificates, notes, and bonds maturing within one year were reduced, thus enabling the Treasury to keep the overall volume of short-term Treasury obligations from exceeding the liquidity needs of the economy. Through advance refundings, the volume of maturities in subsequent nearby years was also reduced, as demonstrated by a decline of $3.2 billion during the calendar year in outstanding obligations maturing in 1–5 years. Debt maturing beyond 5 years was increased by $5.6 billion, with the largest increase ($3.8 billion) occuring in the 10–20 year sector. The net result of these structural changes was an extension of 2 months in the average length of the marketable debt, from 4 years 11 months on December 31, 1962, to 5 years 1 month on December 31, 1963.

In addition to a balanced maturity structure, the Treasury seeks to maintain a balanced ownership of the Federal debt, in both instances for the purpose of limiting the possible encouragement to the development of inflationary forces. Accordingly, budget deficits have been financed in recent years so far as possible through drawing on savings institutions and other nonbank sources of funds rather than on expansion of bank credit.

Like that for the preceding year, the budget deficit for calendar 1963 was financed entirely outside the Nation's commercial banks. U.S. Government securities held by commercial banks, in fact, declined by $3.1 billion during the 1963 calendar year. This reduction was partially offset by an increase of $2.8 billion in the holdings of the Federal Reserve System, undertaken in order to meet the Nation's credit and currency needs during a period of economic expansion.

In contrast with this net liquidation of $0.3 billion on the part of the banking system as a whole, savings and other private nonbank investors increased their holdings of Federal obligations by $4.0 billion during the calendar year. Further, $2.4 billion represented net additions to Government investment accounts, which include the large social security and Government employees' retirement trust funds.

A notable feature of the flow of Treasury offerings during the year was the success of the advance refunding technique in placing new issues of longer term debt with the public. Of a total of approximately $15 billion of Treasury offerings with maturities of more than 5 years acquired by the public in calendar 1963, two-thirds resulted from advance refunding operations. Official agencies—Government investment accounts and the Federal Reserve—continued, as in previous years, to purchase Government securities in the market. Government investment accounts acquired $1.6 billion of over 5-year issues in the market and the Federal Reserve acquired $0.6 billion.

A variation in financing techniques in the short-term area was the introduction in August 1963 of a monthly series of one-year Treasury bills to replace eventually the four quarterly one-year bill issues then outstanding in the amount of $9.5 billion. The first issue in the monthly series, for $1.0 billion, was auctioned on August 27 and issued on September 3. This was followed by issues of similar amounts in October, November, and December. As a part of this program, the Treasury retired $2.5 billion of quarterly one-year bill maturities in mid-October 1963, replacing them in part by interim borrowing in the form of tax anticipation bills to mature in March 1964.

Interest rates on Treasury bills, which had changed relatively little during the first 6 months of the calendar year, rose from 3 percent to 3½ percent during the latter half of the year in response to an increase in the Federal Reserve rediscount rate and other measures taken to maintain short-term rates at levels which would provide no incentive to an outflow of short-term capital. Other concurrent actions are discussed in the review of international finance on pp. 53 to 73, below.

As calendar 1964 began, the Treasury again faced the task of financing a budget deficit and meeting debt maturities in a year of business expansion. While the enactment of the new tax legislation removed some uncertainties concerning revenues, the Government's financing requirements could not be clearly calculated until the final action by the Congress on the President's expenditure proposals. Nevertheless, it seemed probable in the early months of the year that the magnitude of Treasury borrowing operations in calendar 1964 would not greatly differ from that of 1963. At the same time, the sharp reduction in the fiscal 1965 budget deficit, projected at $4.9

billion compared with $10.0 billion in fiscal 1964, means that most of the needed borrowing in the latter half of calendar 1964 will be seasonal and temporary and therefore can appropriately be met by issuance of short-term tax anticipation bills which would be retired out of surplus revenues in the first half of calendar 1965. In any case, debt management in the current calendar year will again be centered on financing the debt increase in a manner that will support business expansion without building inflationary potential, while contributing to the support of our balance-of-payments position through appropriate actions in the short-term maturity sector of the debt.

DOUGLAS DILLON,
Secretary of the Treasury.

TO THE PRESIDENT PRO TEMPORE OF THE SENATE.
TO THE SPEAKER OF THE HOUSE OF REPRESENTATIVES.

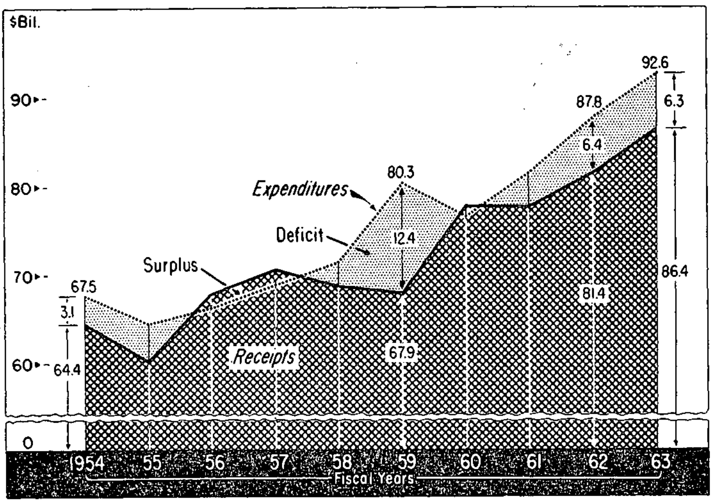
REVIEW OF FISCAL OPERATIONS

Summary of Financial Operations

For the fiscal year 1963 the administrative budget deficit was $6.3 billion, which was $0.1 billion less than the deficit in 1962. Net administrative budget receipts increased $5.0 billion to $86.4 billion, reflecting mainly increases in individual income and corporation tax receipts and a substantial rise in miscellaneous receipts. Net administrative budget expenditures were $4.8 billion larger, amounting to $92.6 billion.

CHART 2

The Administrative Budget



Net receipts of trust funds in fiscal 1963 totaled $27.7 billion and net expenditures, $26.5 billion, a $1.1 billion excess of receipts.

On the basis of a consolidated cash statement (receipts from and payments to the public), total receipts from the public during 1963 were $109.7 billion while total payments were $113.8 billion, an excess of payments of $4.0 billion.

The total public debt outstanding on June 30, 1963, was $305.9 billion, an increase of $7.7 billion from June 30, 1962. The fiscal

operations of the Government in 1962–63 and their effect on the public debt are summarized as follows:

	In billions of dollars			
	1962		1963	
Administrative budget receipts and expenditures:				
Net receipts (−)	−81.4		−86.4	
Net expenditures	87.8		92.6	
Administrative budget deficit		6.4		6.3
Trust receipts and expenditures:				
Net receipts (−)	−24.3		−27.7	
Net expenditures	[r] 25.1		26.5	
Excess of expenditures, or receipts (−)		[r] .9		−1.1
Net investments in public debt and agency securities		[r] .5		2.1
Net sales (−), or redemptions of Government agency securities in market		[r] −1.8		−1.0
Increase (−), or decrease (+) in checks outstanding, deposits in transit (net), etc		[r] −.5		.1
Increase (−), or decrease (+) in public debt interest accrued		(*)		−.2
Change in cash balances, increase, or decrease (−):				
Treasurer's account	3.7		1.7	
Held outside Treasury	.1	3.9	−.1	1.6
Increase in public debt		9.2		7.7

[r] Revised.
*Less than $50 million.

Administrative Budget Receipts and Expenditures

Receipts

The $5.0 billion increase in net administrative budget receipts in the fiscal year 1963, to $86.4 billion, followed a rise of $3.7 billion in 1962 and brought budget receipts to another alltime record.

Economic activity expanded steadily throughout the fiscal year 1963. Although two 1962 tax changes, liberalized depreciation and the investment tax credit, reduced the rise in taxes on business profits, total tax revenues increased $3⅔ billion. An addition of $1.3 billion to miscellaneous receipts, primarily from nontax sources, brought the overall rise to $5.0 billion.

A comparison of net administrative budget receipts by major sources for fiscal 1962 and 1963 is shown below. Additional data for 1963 on a gross basis are presented in table 18.

Source	1962	1963	Increase: Amount	Increase: Percent
	In millions of dollars			
Internal revenue:				
Individual income taxes	45,571	47,588	2,017	4.4
Corporation income taxes	20,523	21,579	1,056	5.1
Excise taxes	9,585	9,915	330	3.4
Estate and gift taxes	2,016	2,167	151	7.5
Total internal revenue	77,696	81,249	3,554	4.6
Customs duties	1,142	1,205	63	5.6
Miscellaneous receipts	2,572	3,922	1,350	52.5
Budget receipts	81,409	86,376	4,967	6.1

Individual income taxes.—Receipts from individual income taxes amounted to $47.6 billion, 55 percent of budget revenues. The gain over 1962 in individual income taxes was $2 billion, 41 percent of the total increase in net budget receipts. Receipts from taxes withheld on wages and salaries increased as incomes rose generally in fiscal 1963. However, taxes other than those withheld declined slightly as a result of lower capital gains in 1962.

Corporation income taxes.—Receipts from corporation income taxes are dependent primarily on the amount of corporate profits for the calendar year which ends in the fiscal year.

Profits of corporations rose substantially in the calendar year 1962 despite increased depreciation charges of $2½ billion under the new guidelines. The rise in tax collections from this source, however, was limited to $1.1 billion because the investment credit enacted in 1962 reduced corporate tax liability by an estimated $1 billion for the year.

Excise taxes.—Receipts from excise taxes are shown in the following table.

Source	1962	1963	Increase, or decrease (−)	
			Amount	Percent
	In millions of dollars			
Alcohol taxes	3,341	3,442	100	3.0
Tobacco taxes	2,026	2,079	54	2.6
Taxes on documents, other instruments, and playing cards	159	149	−10	−6.4
Manufacturers excise taxes	r 5,133	5,610	477	9.3
Retailers excise taxes	r 421	444	22	5.3
Miscellaneous excise taxes	r 1,570	1,620	49	3.1
Undistributed depositary receipts and unapplied collections	r 101	66	−35	−34.7
Gross excise taxes	12,752	13,410	658	5.2
Less:				
Refunds of receipts	218	216	−2	−1.1
Transfers to highway trust fund	2,949	3,279	330	11.2
Net excise taxes	9,585	9,915	330	3.4

r Revised.

Net excise tax receipts, after deduction of refunds and transfers to the highway trust fund, rose $330 million, or 3.4 percent. This brought the total to $9.9 billion for the year. Increases were pervasive, reflecting the general rise in economic activity in the fiscal year 1963.

Estate and gift taxes.—Estate and gift tax collections were 7½ percent larger in fiscal 1963 than in 1962. Even so, since estate taxes are not payable until 15 months after death and the valuation of the estate is the lesser of the value at time of death or one year later, the rise did not reflect the strong rise in stock prices during the last three quarters of fiscal 1963.

Customs.—Customs duty collections amounted to $1.2 billion in the fiscal year 1963. The rise of 5.6 percent reflected an increase in taxable imports which accompanied the general advance in business activity.

Miscellaneous receipts.—Miscellaneous receipts are a nontax revenue source. Such receipts had been depressed in fiscal 1962 by repayments of foreign loans which had been advanced to 1961. The rise of $1.3 billion in these receipts in 1963 again reflected substantial foreign loan repayments. It was bolstered also by larger rent receipts and repayments to the unemployment trust fund by States.

Estimates of receipts

The Secretary of the Treasury is required each year to prepare and submit in his annual report to Congress estimates of the public revenue for the current fiscal year and for the fiscal year next ensuing (act of February 26, 1907 (5 U.S.C. 265)).

The estimates of receipts from taxes and customs for the current and ensuing fiscal years are prepared by the Treasury Department. In general, the estimates of miscellaneous receipts are prepared by the agencies depositing these receipts in the Treasury.

The estimates of receipts and the legislative and economic assumptions upon which they are based are the same as those presented in the Budget message of the President of January 21, 1964. The message recommended enactment of the income tax reduction bill, H.R. 8363, as approved by the House of Representatives except for the reduction in rates on capital gains unless accompanied by taxation of gains on property transferred at death. The message also recommended that the individual income tax withholding rate be dropped from the existing 18 percent to 14 percent as soon as possible after enactment. The House bill provided for a decrease to 15 percent starting January 1, 1964. The estimates of revenue for fiscal 1964 and 1965 assumed that the recommended reduction in the withholding rate would take effect in February.

The revenue bill of 1964 reduces tax rates and makes various structural changes in individual and corporate income taxes, and bolsters economic incentives. Part of the tax reduction will be in effect during the calendar year 1964 and the remainder during calendar 1965. When fully effective, it will reduce income tax liabilities by over $11 billion a year.

The rates on taxable individual incomes then will be in a range from 14 percent to 70 percent, compared with the former range from 20 percent to 91 percent. The present first bracket of taxable income up to $2,000 for single persons, and $4,000 for married couples, which

has been taxed at 20 percent, will be divided into four equal brackets, each of which will be taxed at a different rate below 20 percent.

The combined normal and surtax rates on corporation incomes above $25,000 is 50 percent for 1964 and will become 48 percent in 1965, compared with the former 52 percent. Incorporated small businesses receive an even larger tax rate reduction, since the normal tax rate on corporation income below $25,000 has been reduced to 22 percent, compared with the former 30 percent.

Corporations with income tax liabilities in excess of $100,000 per year have their tax payments moved closer in time to the accrual of tax liabilities. The speedup of payments starts in the calendar year 1964 and will be completed in 1970, when payments of estimated tax liabilities greater than $100,000 will be made quarterly as the liability develops. During the transition to the new payment schedule total tax payments by these corporations will not exceed the taxes they would pay under present rates on the same income.

Under present law, the excise rates on distilled spirits, beer, wines, cigarettes, passenger automobiles, and automobile parts and accessories will be reduced on July 1, 1964, and the tax on general telephone service will expire on July 1, 1964. The revenue estimates are based on proposed legislation extending the present rates of these taxes for one additional year.

It is further assumed that certain proposals with respect to transportation taxes will be enacted.

The most significant changes proposed affect commercial and other users of transportation, and would become effective on July 1, 1964. These include: Continuing as a user charge the 5-percent excise tax on air passenger transportation which would otherwise expire on July 1, 1964; instituting a 5-percent tax on air freight; extending to jet fuels, currently untaxed, the present 2 cents per gallon tax on fuels used in commercial air transportation; increasing from 2 cents to 3 cents per gallon the tax on all fuels used in general aviation; and initiating user charges for the inland waterways through a tax of 2 cents per gallon on fuels used in transportation on these waterways. The receipts from all of these charges will be retained in the general fund of the Treasury under the proposed legislation.

In addition, a land and water conservation fund has been proposed to finance planning, land acquisition, and development of recreation facilities, to be carried out chiefly through grants to States. The revenues would come to this new fund from existing and new admission and user fees in national forests, parks, and other recreation areas, the proceeds from the sale of surplus Government real property, and transfer of certain motor boat fuel taxes from the highway trust fund.

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Enactment of the 1964 tax bill will accelerate the growth of the economy toward full employment. Under these conditions the Nation's output of goods and services is expected to reach $623 billion in the calendar year 1964, an increase of $38 billion over calendar 1963. This projection should be taken as the midpoint of a $10 billion range, from $618 billion to $628 billion. Substantial gains in personal income and corporate profits before taxes will accompany the growth in output. Specifically, the calendar year revenue estimates are based on the following economic assumptions:

	1962 actual	1963 preliminary	1964 estimate
	In billions		
Gross national product	$554.9	$585.0	$623
Personal income	442.1	463.0	492
Corporate profits before taxes	46.8	51.7	56

Estimates of tax revenues cannot be derived directly and simply from the assumed levels of aggregate economic performance. The definitions of taxable income in the tax statutes, which determine tax liabilities, differ from the economic or statistical definitions of income which are used to measure economic performance. In addition, tax payments are received by the Treasury after the period in which tax liabilities are incurred. For example, corporation income tax collections now lag about 6 months behind the period when the taxable income was earned; there is also some lag between the time when individual income and social security taxes are deducted from earnings and the time employers transfer these sums to the Treasury.

Under the new income tax rates, which are to be retroactive to January 1, 1964, tax payments by individuals and corporations will be reduced by approximately $2.6 billion in the fiscal year 1964 and $8 billion in fiscal 1965, calculated on the basis of calendar 1963 income levels. These potential gross losses in tax receipts, however, will be offset in part by increased revenues from the economic stimulus of the tax cut and a new schedule for quarterly corporation tax payments. As a result, the net revenue decline from the tax changes is estimated to be $2.2 billion in fiscal 1964 and $3.1 billion in fiscal 1965.

Despite these losses, revenues are expected to continue rising. In the fiscal year 1964 revenues are estimated to increase $2.0 billion over actual receipts in 1963 to a total of $88.4 billion. A further rise of $4.6 billion to a total of $93.0 billion is estimated for 1965. Receipts will have risen for four consecutive years by fiscal 1965, reaching a level $15.3 billion above 1961. This revenue gain reflects the $120

billion increase in gross national product, estimated for the calendar year 1964 over actual 1960.

Actual administrative budget receipts for fiscal 1963 and estimated receipts for 1964 and 1965 are compared by major sources in the accompanying table. The amount shown for each revenue source is the net amount after deduction of refunds, transfers to trust funds, and interfund transactions.

Source	1963 actual	1964 estimate	1965 estimate	Increase, 1965 over 1964
	In millions of dollars			
Individual income taxes	47, 588	47, 500	48, 500	1, 000
Corporation income taxes	21, 579	23, 700	25, 800	2, 100
Excise taxes	9, 915	10, 221	10, 987	766
Estate and gift taxes	2, 167	2, 335	2, 740	405
Customs	1, 205	1, 275	1, 460	185
Miscellaneous receipts	3, 922	3, 369	3, 513	144
Administrative budget receipts	86, 376	88, 400	93, 000	4, 600

Individual income taxes.—Actual individual income tax receipts were $47,588 million in fiscal 1963. They are estimated to remain virtually unchanged at $47,500 million in 1964 and then rise $1,000 million to $48,500 million in 1965. These changes reflect the net effect of the reduction in tax rates and the anticipated rise in personal income subject to tax.

The effect of the income tax reduction in fiscal 1964 will be reflected in reductions in withheld taxes in the last part of the year. The decrease in the withholding rate from 18 percent to 14 percent will affect withheld tax revenues for the whole of 1965 but because of collections lags the full effect of the second step of the tax reduction will be delayed until 1966.

Corporation income taxes.—Corporation income tax receipts are expected to rise by approximately the same amount, $2,100 million in both fiscal 1964 and 1965. Rising corporate profits are primarily responsible since the corporation provisions of the income tax reduction do not have substantial effects on receipts. The first step of the corporate rate reduction affects calendar year 1964 tax liabilities which for the most part are collected in fiscal 1965. The reduction in tax liabilities is almost offset, however, by the increase in receipts because of the proposed acceleration of tax payments.

Excise taxes.—Net excise tax revenues, excluding transfers to the highway trust fund, are estimated to rise from $9,915 million in 1963, to $10,221 million in 1964, and to $10,987 million in 1965. Fiscal year 1964 receipts will be reduced by the phasing out of the reduction,

effective November 15, 1962, of the tax on transportation by air from 10 percent to 5 percent and the repeal of the tax on other transportation. Receipts in 1965 are increased by approximately $150 million by proposals for transportation user charges and the recreation and conservation fund.

Estate and gift taxes.—Receipts from this source arise mostly from collections of estate taxes which are payable fifteen months after death. The 1963 rise in stock market values will not be reflected in receipts until fiscal 1965. Combined estate and gift tax receipts are estimated to increase from $2,167 million in 1963, to $2,335 million in 1964, and to $2,740 million in 1965.

Customs.—Customs receipts are estimated to increase from $1,205 million in 1963, to $1,275 million in 1964, and to $1,460 million in 1965 as a result of the anticipated expansion of economic activity.

Miscellaneous receipts.—Miscellaneous receipts, after deduction of interfund transactions are expected to decline from $3,922 million in 1963 to $3,369 million in 1964 because of reduced receipts in rentals from Outer Continental Shelf lands and repayment of foreign loans which had been unusually large in 1963. A rise of $144 million to $3,513 million is estimated for 1965.

Expenditures

During the fiscal year 1963 administrative budget expenditures totaled $92.6 billion, or $4.9 billion over 1962. Expenditures by major functions for fiscal years 1955-63 are shown in detail in table 15. A summary of expenditures by certain major functions, comparing fiscal 1963 with 1962, follows:

Program	1962	1963	Increase, or decrease (−)	
			Amount	Percent
	In millions of dollars			
National defense	51, 103	52, 755	1, 652	3. 2
International affairs and finance	2, 817	2, 588	−229	−8. 1
Space research and technology	1, 257	2, 552	1, 295	103. 0
Interest payments	9, 198	9, 980	782	8. 5
Veterans' benefits and services	5, 403	5, 186	−217	−4. 0
Agriculture and agricultural resources	5, 881	6, 954	1, 073	18. 2
Health, labor, and welfare	4, 538	4, 789	251	5. 5
Commerce and transportation	2, 774	2, 843	69	2. 5
Other [1]	5, 449	5, 507	58	1. 1
Less interfund transactions	633	513	−120	−14. 0
Total	87, 787	92, 642	4, 855	5. 5

[1] Includes programs relating to natural resources, housing and community development, education, and general government.

National defense expenditures in fiscal 1963 accounted for almost 60 percent of total expenditures; interest payments accounted for

10.8 percent; veterans' benefits and services, over 5 percent; and agriculture and agricultural resources, 7.5 percent.

Estimates of expenditures

Administrative budget expenditures in the fiscal years 1964 and 1965 are estimated at $98.4 billion and $97.9 billion, respectively. The following shows, by major functions, the estimated expenditures for 1964 and 1965, as compared with the immediately preceding fiscal year:

Program	1963 actual	1964 estimate	Increase, or decrease (—), 1964 from 1963	1965 estimate	Increase, or decrease (—), 1965 from 1964
	In millions of dollars				
National defense	52,755	55,297	2,542	53,979	−1,318
International affairs and finance	2,588	2,447	−141	2,248	−199
Space research and technology	2,552	4,400	1,848	4,990	590
Interest payments	9,980	10,701	721	11,101	400
Veterans' benefits and services	5,186	5,362	176	5,081	−281
Agriculture and agricultural resources	6,954	6,070	−884	4,907	−1,163
Health, labor, and welfare	4,789	5,533	744	5,832	299
Commerce and transportation	2,843	3,151	308	3,069	−82
Other [1]	5,507	6,129	622	7,293	1,164
Less interfund transactions	513	685	172	600	−85
Total	92,642	98,405	5,763	97,900	−505

[1] Includes programs relating to natural resources, housing and community development, education, and general government.

Trust Receipts and Expenditures

Receipts

The increase of $3.4 billion in net trust receipts in fiscal 1963 to $27.7 billion, was due principally to the rise in the combined social security tax rate from 6¼ percent to 7¼ percent, effective January 1, 1963.

Net trust receipts for fiscal 1963, by certain of the major sources, are shown below, compared with 1962.

Source	1962	1963	Increase, or decrease (—)	
			Amount	Percent
	In millions of dollars			
Employment taxes	12,561	14,862	2,301	18.3
Deposits by States, unemployment insurance	2,729	3,009	280	10.3
Excise taxes	2,949	3,279	330	11.2
Interest on trust funds	1,433	1,477	44	3.1
Other trust receipts [1]	5,146	5,567	421	8.2
Less interfund transactions	528	505	−23	−4.4
Net trust fund receipts	24,290	27,689	3,399	14.0

[1] Includes Federal employee and agency payments to retirement funds, veterans' life insurance premiums, and other miscellaneous trust receipts.

Estimates of receipts

Trust receipts in the fiscal years 1964 and 1965 are expected to continue to rise, with the greater increase taking place in 1964, the first full fiscal year under the increased social security tax rates. Estimated trust receipts by major sources for the fiscal years 1964 and 1965 are compared with the immediately preceding fiscal year in the following table:

Program	1963 actual	1964 estimate	Increase, or decrease (—), 1964 from 1963	1965 estimate	Increase, or decrease (—), 1965 from 1964
	In millions of dollars				
Employment taxes	14,862	16,777	1,915	16,996	219
Unemployment tax deposits by States	3,009	2,900	—109	2,825	—75
Excise taxes	3,279	3,478	199	3,504	26
Interest on trust funds	1,477	1,589	112	1,669	80
Other trust receipts [1]	5,567	5,907	340	6,355	448
Less interfund transactions	505	488	—17	477	—11
Net trust fund receipts	27,689	30,163	2,474	30,872	709

[1] Includes Federal employee and agency payments to retirement funds, veterans' life insurance premiums, and other miscellaneous trust receipts.

Expenditures

During fiscal 1963 trust expenditures amounted to $26.5 billion, $1.1 billion less than net trust receipts and $1.4 billion greater than trust expenditures in fiscal 1962.

Total trust expenditures in the fiscal year 1963, by major functions, are shown below, compared with 1962:

Program	1962	1963	Increase, or decrease (—) Amount	Increase, or decrease (—) Percent
	In millions of dollars			
National defense	366	679	313	85.5
International affairs and finance	15	44	29	193.3
Veterans' benefits and services	733	835	102	13.9
Agriculture and agricultural resources	398	507	109	27.4
Health, labor, and welfare	20,382	21,855	1,473	7.2
Commerce and transportation	2,662	2,877	215	8.1
Other [1]	1,113	253	—860	—77.3
Less interfund transactions	528	505	—23	—4.4
Total trust expenditures	25,141	26,545	1,404	5.6

[1] Includes programs relating to natural resources, housing and community development, education, and general government, and net transactions in deposit fund accounts.

In fiscal 1963 health, labor, and welfare programs accounted for 82.3 percent of total trust expenditures; commerce and transportation

programs, principally the highway trust fund, made up almost 11 percent.

Estimates of expenditures

It is estimated that trust fund expenditures in the fiscal years 1964 and 1965 will be $29.3 billion and $29.4 billion, respectively. The following table shows, by major functions, the estimated trust expenditures for 1964 and 1965, compared with the immediately preceding fiscal year:

Program	1963 actual	1964 estimate	Increase, or decrease (−), 1964 from 1963	1965 estimate	Increase, or decrease (−), 1965 from 1964
	In millions of dollars				
National defense	679	867	188	1,231	364
International affairs and finance	44	86	42	99	13
Space research and technology		(*)	(*)	2	2
Agriculture and agricultural resources	507	475	−32	442	−33
Commerce and transportation	2,877	3,394	517	3,466	72
Health, labor, and welfare	21,855	22,669	814	23,549	880
Veterans' benefits and services	835	642	−193	495	−147
Other [1]	253	1,670	1,417	565	−1,105
Less interfund transactions	505	488	−17	477	−11
Total trust funds	26,545	29,315	2,770	29,372	57

* Less than $500,000.
[1] Includes natural resources, housing and community development, education, and general government, and net transactions in deposit fund accounts.

Receipts from and Payments to the Public

The Government's receipts from and payments to the public, or cash income and outgo, must be referred to when considering the impact on the private economy of the Government's financial transactions. Total receipts from and payments to the public are obtained by adding administrative budget receipts and expenditures to trust fund receipts and expenditures with an appropriate deduction for intragovernmental transactions, and adjustments to expenditures for debt issuances in lieu of checks, the change in checks outstanding, and certain other transactions involving no exchange of cash with the public. For a more detailed explanation of this subject, see page 31 of the 1962 annual report.

During fiscal 1963 total receipts from the public amounted to $109.7 billion, while total payments to the public were $113.8 billion, an excess of payments amounting to $4.0 billion. The following

summary shows receipts from and payments to the public for the fiscal years 1962 and 1963, with estimates for fiscal 1964 and 1965:

Receipts from and payments to the public	Actual		Estimated	
	1962	1963	1964	1965
	In millions of dollars			
Receipts from the public:				
Administrative budget receipts (net)	81,409	86,376	88,400	93,000
Trust and other receipts (net)	24,290	27,689	30,163	30,872
Intragovernmental and other noncash transactions (−)	−3,834	−4,326	−4,197	−4,130
Total receipts from the public	101,865	109,739	114,366	119,742
Payments to the public:				
Administrative budget expenditures (net)	87,787	92,642	98,405	97,900
Trust fund and other expenditures (net)	25,141	26,545	29,315	29,372
Intragovernmental and other noncash transactions (−)	−5,266	−5,436	−5,016	−4,582
Total payments to the public	107,662	113,751	122,704	122,690
Excess of cash receipts from, or payments to (−) the public	−5,797	−4,012	−8,338	−2,948

Investments of Government Agencies in Public Debt and Agency Securities (Net)

Investments in public debt and agency securities usually are made pursuant to legislative requirements, and provide interest income on funds not needed to meet current expenditures. They are generally reported at par. In fiscal 1963 purchases for public enterprise funds and trust funds exceeded sales by $1,298 million; purchases for certain deposit funds constituting Government-sponsored enterprises exceeded sales by $771 million.

Sales and Redemptions of Securities of Government Agencies in the Market (Net)

Certain Federal agencies have authority to issue their securities as a means of financing operations, as explained in the following paragraphs. Reported at par value, transactions in the securities of these agencies during fiscal 1963 resulted in net redemptions of $435 million; transactions in securities of Government-sponsored enterprises resulted in net issuances (sales) of $1,457 million.

Corporations and Certain Other Business-Type Activities of the U.S. Government

The various business-type programs administered by Government corporations and certain other agencies are financed by appropriations, capital stock subscriptions, borrowings from the U.S. Treasury or the public, or by utilizing revenues derived from their own operations.

Agencies having legislative authority to borrow from the public must have the approval of the Secretary of the Treasury regarding the terms of the securities to be offered prior to their issuance (31 U.S.C. 868). Agencies exempt from the approval requirement must consult with the Secretary of the Treasury on their proposed offerings.

Loans or advances of funds made by the Secretary of the Treasury, pursuant to the terms of the borrowing authority, are evidenced by formal securities of the agencies or agreements executed between the Secretary and the head of the borrowing agency. These borrowings, or advances, are reported in the financial statements of the agencies as part of the Government's net investment in the enterprise. Advances by the Treasury in fiscal 1963, exclusive of refinancing transactions, totaled $8,456 million; repayments during the year amounted to $7,919 million. The outstanding loans and advances as of June 30, 1963, totaled $29,172 million.

New congressional authority to borrow from the Treasury granted in fiscal 1963 amounted to $977 million and reductions of borrowing authority totaled $691 million, a net increase of $286 million. Unused authority as of June 30, 1963, amounted to $20,928 million, compared with $21,180 million on June 30, 1962. The status of the borrowing authority of these corporations and agencies is shown in table 110.

Interest rates applicable to borrowings from the Treasury, except where fixed by law, are determined from month to month by the Treasury, taking into consideration the cost to the Government in effecting its borrowings in the current market as reflected by the prevailing market yields on Government securities having maturities approximately equivalent to the advances or loans made to the agencies. Table 111 gives a description of the securities of the Government corporations and agencies held as of June 30, 1963, together with the applicable interest rates.

Payments in the form of interest, dividends, and distribution of earnings are made either on the basis of the operating results of an enterprise, or in compliance with legislative requirements. During fiscal 1963, $562 million was received in the Treasury as interest payments on advances to agencies and $169 million as other payments. Details regarding these payments are contained in table 114.

Financial statements submitted to the Treasury

Government corporations and agencies submit to the Treasury quarterly statements of financial condition, income and expense, and source and application of funds; statements of long-range commitments and contingencies are submitted semiannually. These reports serve as the bases for combined statements compiled by the Treasury. Individual and combined financial statements, including statements

of income and expense and source and application of funds, are published periodically in the *Treasury Bulletin.*

Business-type activities included in the administrative budget category are the public enterprise and intragovernmental revolving funds, and revenue producing activities financed by general and special funds. The total combined assets, including interagency items, of these administrative budget funds amounted to $84,883 million as of June 30, 1963. The combined liabilities, which also include interagency items and consist primarily of accounts payable and borrowings from the public, amounted to $7,645 million. Borrowings from the Treasury are not included in liabilities; they are considered part of the Government's investment. Comparable totals for business-type activities included in the trust fund category as of June 30, 1963, were $14,317 million of assets and $9,107 million of liabilities.

In fiscal 1963 the total combined income of Government corporations and business-type activities included under administrative budget funds amounted to $14,059 million; total expenses amounted to $17,395 million, resulting in an overall net loss of $3,336 million. Public enterprise revolving funds, which account for the majority of business-type transactions, experienced a combined net loss during the year of $3,520 million. Operations of the intragovernmental revolving funds and general and special funds resulted in a combined net income of $184 million. Those public enterprise funds whose net income or loss during the year accounted for most of the net loss of $3,336 million included:

	Net income, or loss (–) in milions
Post Office Department, postal fund	–$819
Export-Import Bank, regular lending activities	114
Commodity Credit Corporation	–2, 597
Federal National Mortgage Association:	
Special assistance functions	10
Management and liquidating functions	5
Veterans' Administration, direct loan program	16
Tennessee Valley Authority	38
Federal Housing Administration	75

Summary statements of financial condition of Government corporations and other business-type activities, as of June 30, 1963, are shown in table 112.

Account of the Treasurer of the United States

The account of the Treasurer of the United States is printed in summary balance sheet form in the *Daily Statement of the United States Treasury,* and in more detail in table 57. Briefly, the account consists of three major categories: Gold, silver, and the general account.

As of June 30, 1963, the value of the gold on hand was $15,733 million, held principally at the Fort Knox Depository with lesser amounts in the mints and assay offices. Gold liabilities included $15,613 million of gold certificates issued to Federal Reserve Banks and held as reserves against Federal Reserve notes and for the redemption of U.S. notes, etc. The free gold balance was $120 million. Silver bullion and silver dollars included in the assets totaled $2,144 million, against which liabilities of silver certificates (currency issued against free silver, etc.) totaled $2,126 million, leaving a balance of silver totaling $18 million. Assets of the general account, $12,116 million as of June 30, 1963, included gold and silver balances against which there were no specific legal liabilities or reserves, cash in the form of currency and coin, unclassified collections, and Government funds on deposit with Federal Reserve Banks and other depositories.

During the fiscal year there was an increase of $1,686 million in the balance of the Treasurer's account. The net change during the year is accounted for as follows:

Transactions affecting the account of the Treasurer of the United States, fiscal year 1963

In millions of dollars]

Balance June 30, 1962			10,430
Excess of deposits, or withdrawals (−), budget, trust, and other accounts:			
Deposits		114,454	
Withdrawals		118,477	−4,023
Excess of deposits, or withdrawals (−), public debt accounts:			
Increase in gross public debt		7,659	
Deduct:			
Excess of Government agencies' investments in public debt securities	1,981		
Accrual of discount on savings bonds and bills (included in net increase in gross public debt above)	2,858		
Less certain public debt redemptions (included above in withdrawals, budget, trust, and other accounts)	−1,824		
Total deductions		−3,015	4,644
Excess of sales of Government agency securities in the market			26
Net transactions in clearing accounts (documents not received or classified by the Treasurer of the United States)			1,039
Balance June 30, 1963			12,116

Public Debt Management

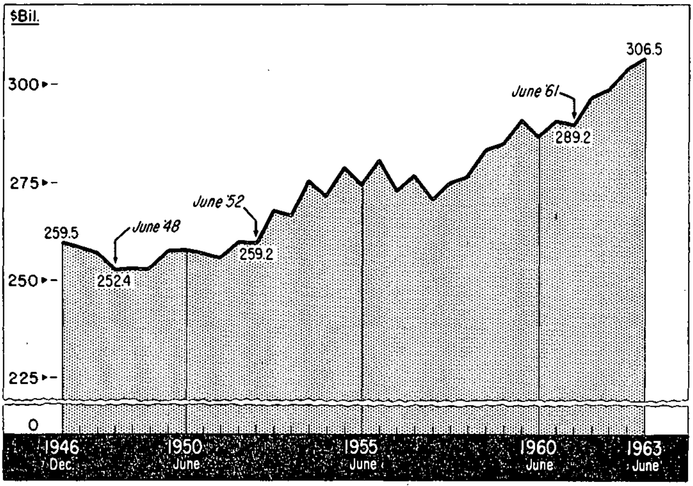
Economic conditions—by affecting both revenues and expenditures—influence significantly both the size of the Treasury's borrowing task and the market in which Government securities are sold. Thus, an

essential element of the environment in which decisions on public debt mangement are made is the state of the economy. Moreover, the manner in which the Treasury meets its primary responsibility of raising the funds needed to cover Government expenditures and refinance maturing securities has important implications for the financial markets and the general economy. These implications must be appraised in arriving at the choice of instruments, their terms, and timing, which constitute the management of the debt.

In fiscal 1963 the administrative budget deficit requiring financing amounted to $6.3 billion. The Federal debt (the public debt and guaranteed obligations not owned by the Treasury) actually rose a little more than this, increasing $7.8 billion to $306.5 billion on June 30, 1963. As a result, there was a $1.7 billion increase in the cash balance of the Treasurer of the United States.

CHART 3

The Federal Debt[1]—Semiannually since 1946



[1] Including public debt and guaranteed obligations.

Treasury borrowing in the economic environment of fiscal 1963 required a careful balancing of several objectives of public debt management. Business activity continued to expand and private credit demands rose to new record levels, increasing the competition for available funds. At the same time, persisting high levels of unemployment and unused plant capacity provided evidence that expansionary forces still needed encouragement if the economy's human and physical resources were to be more fully used. In these circumstances, the very substantial flow of savings that remained available for investment in longer term securities offered an oppor-

tunity to continue progress in restructuring the debt. At the same time, the volume of longer term offerings and the technique used to place this debt had to be carefully accommodated to the absorptive capacity of the market. Meanwhile, the tendency for investment funds to flow abroad and aggravate a deterioration in the U.S. balance-of-payments position during the fiscal year required positive steps to reduce and eliminate incentives to the transfer of these funds abroad.

More specifically, the U.S. balance-of-payments position made it appropriate to put more stress on using debt management, in cooperation with monetary policy, to bring U.S. short-term interest rates into better alignment with rates available in major money centers abroad so as to minimize the outflow of short-term funds from this country. Yields on three-month Treasury bills rose from about 2¾ percent at the close of fiscal 1962 to about 3 percent at the close of fiscal 1963. Shortly after the end of the fiscal year, short-term yields moved up further and for balance-of-payments reasons the Federal Reserve discount rate was raised from 3 percent to 3½ percent.

However, the fact that the economy continued to be characterized by excessive levels of unemployment and unused plant capacity made it inappropriate similarly to bring upward pressure on long-term interest rates through debt management operations. A premature increase in long-term rates occasioned by Government demands in the short-term area could have slowed the rise in private business activity and in long-term credit demands, both of which clearly were desirable in terms of domestic goals. Treasury debt management, accordingly, was directed toward avoiding pressure on the long-term markets while at the same time continuing an orderly program toward maintenance of a sound, well-balanced debt structure. Reflecting these efforts, and the continuation of a high rate of savings in the economy, yields on long-term Treasury bonds and corporate bonds at the close of fiscal 1963 were approximately the same as at the end of June 1962 and were actually lower than in December 1961. Municipal securities yields showed little net change during fiscal 1963 while mortgage yields moved lower throughout the year. Shortly after the close of the fiscal year, President Kennedy proposed a special interest equalization tax on American purchases of foreign stocks and bonds to slow the outflow of U.S. long-term capital without artificially attempting to raise U.S. long-term interest rates to levels inconsistent with the pattern of domestic savings and investment.

With business activity continuing to rise, Treasury debt management policy had to bear in mind the possibility that increased issues of Treasury bills in fiscal 1963, designed to bring upward pressures on

key short-term interest rates, might unless otherwise offset make the economy overly liquid and create potential inflationary pressures. This potential threat to an orderly economic environment was avoided by reducing the volume of short-term Treasury issues other than bills and by successful placement of substantial amounts of intermediate and long-term bonds.

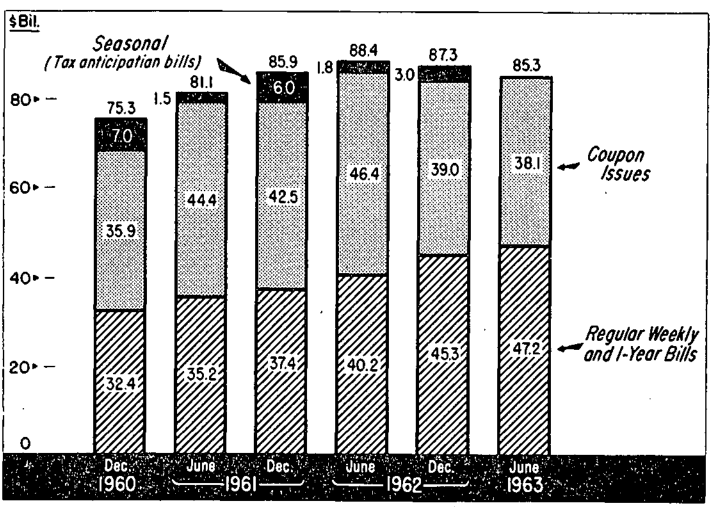
Debt management in the fiscal 1963 environment, as in other recent years, has had to face the task of bringing about an acceptable balance among these various domestic and international objectives. The major results which have been achieved during the past 2½ years are summarized in the paragraphs which follow.

The short-term problem

In the 2½ years from December 1960 through June 1963 the Treasury increased the outstanding volume of regular Treasury bills (3-month, 6-month, and 1-year series) by $14.8 billion. To help make room for these increases, the Treasury exercised strict control over other short-term debt, both new coupon issues and outstanding obligations falling into the 1-year sector as a result of the passage of time. In consequence, coupon issues maturing within one year increased by only $2.2 billion over the period.

CHART 4

Structure of the Under 1-Year Marketable Debt



NOTE.—Coupon issues include all certificates, notes, and bonds maturing within one year.

While short-term marketable debt increased on a net basis between December 1960 and June 30, 1963, chart 4 shows that the upward trend was reversed in fiscal 1963. In that year the Treasury was able

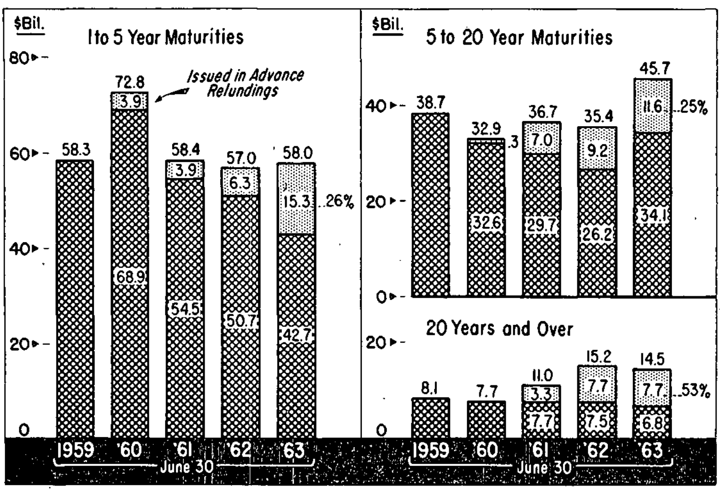
to make a net reduction of $3.1 billion in total under 1-year debt, while adding $7.0 billion to the volume of regular weekly and 1-year Treasury bills. This was accomplished in part by the introduction of prerefundings, a variation of the advance refunding technique in which holders of securities maturing within 1 year are offered new and longer issues in exchange for their current holdings. In the first prerefunding operation, undertaken in September 1962, almost $8 billion of securities maturing within the succeeding 8 months was exchanged for 4-year 11-month or 9-year 11-month obligations, thus clearing the way for new financing, particularly new bill financing, in the critical under 1-year area.

Debt restructuring: the contribution of advance refunding

The part which advance refunding has played in restructuring the marketable debt beyond the one-year area is shown in chart 5. The chart covers the period beginning with 1959, when legislation facilitating advance refunding was enacted.

CHART 5

Role of Advance Refunding in Restructuring the Over 1-Year Marketable Debt



In the 1- to 5-year area, as noted above, a major purpose has been to keep the outstanding volume under control so as to avoid undue spillover into the short-term sector. As shown in the chart, there was a heavy concentration of maturities in the 1- to 5-year area in 1960, when the advance refunding technique was still in its experimental stages. Between the end of 1960 and the close of fiscal 1963, however—a period during which the total marketable debt increased by $14.5 billion—outstanding 1- to 5-year maturities were reduced

by nearly $13 billion, from $70.8 billion on December 31, 1960, to $58.0 billion at the end of fiscal 1963. Of the $58.0 billion, $15.3 billion or 26 percent resulted from advance refunding operations.

In the maturity groups of more than 5 years, advance refunding had the major advantage of maintaining ownership on the part of longer term investors without the need for operations which might prove disturbing in the market or might divert new savings funds from private uses. On June 30, 1963, more than half of the outstanding obligations in the 20-year and over area had originally been issued in advance refunding operations. In the 5- to 20-year range, the proportion due to advance refunding was approximately one-fourth. Since December 1960, restructuring of the debt has resulted in an overall increase of $17.3 billion in maturities of 5 years or longer—$2.8 billion more than the increase in the total marketable debt over that period. In consequence, despite the shortening effects of the passage of time, the average length of the Federal debt has increased appreciably, from 4 years 7 months at the end of calendar 1960 to 5 years 1 month on June 30, 1963.

It may be noted that in the 20-year and over area, $550 million of the approximately $14½ billion debt outstanding on June 30, 1963, resulted from a recent innovation in Treasury finance, the sale of long-term bonds through competitive bidding. This technique is still in an experimental stage, and the Treasury will continue to explore it and other new procedures for improving the debt structure whenever circumstances are propitious.

Commercial bank ownership

In addition to maintaining a balanced debt structure in terms of maturities, the Treasury must seek to maintain a debt ownership pattern which will give the least possible encouragement to the growth of inflationary forces. In particular, the Treasury has not wished to rely on commercial bank holdings of highly liquid short-term debt in excess of amounts that these banks feel necessary to support such growth in their deposits and other assets that is in accord with the basic needs of the economy.

Between December 1960 and June 1963, when under one-year debt, excluding seasonal financing, increased $17.0 billion, commercial bank holdings of Government securities increased only $2.3 billion. All of the increase, however, took place before fiscal 1963. Between June 30, 1962, and June 30, 1963, commercial bank holdings declined $0.8 billion.

For the entire banking system, there was a net increase of $1.6 billion in holdings of U.S. Government securities during the fiscal year, reflecting the decline of $0.8 billion in commercial bank owner-

ship and an increase of $2.4 billion in the holdings of the Federal Reserve. Thus almost four-fifths of the $7.8 billion increase in the public debt during fiscal 1963 was financed outside the banking system, in accordance with the Treasury's objective of financing the budget deficit without generating an inflationary potential.

It may be noted also that a marked extension in maturity length occurred in the Government portfolios of commercial banks during fiscal 1963. This was due in part to the continued search for higher earnings to cover increased interest rates permitted on time deposits in commercial banks beginning in January 1962. Between June 30, 1962, and June 30, 1963, commercial banks reporting to the Treasury Survey of Ownership reduced their holdings of marketable U.S. Government obligations maturing in 1 year or less by $7.3 billion. At the same time these banks added $1.3 billion to their holdings of 1- to 5-year maturities and $5.3 billion to maturities of 5- to 10-years. Maturities of over 10 years declined by $0.9 billion.[1]

Further details on changes in ownership during fiscal 1963 on the part of both bank and nonbank investors are found on pp. 36 to 40.

Market yields

Chart 6, which shows market yields of U.S. Government securities at constant maturities in recent years, illustrates the extent to which the Treasury and the monetary authorities have been successful in helping to maintain short-term rates at levels which are competitive internationally, while causing only slight upward pressures in the longer term area.

As indicated in the chart, the market rate for 3-month Treasury bills, which averaged approximately 2¼ percent in December 1960, had risen to approximately 3 percent by June 1963. Shortly after the end of the fiscal year further increases were required to maintain equilibrium with competitive rates abroad.

In contrast with short-term movements, the 20-year Government rate remained relatively stable, ranging on a monthly average basis from about 3¾ percent to about 4⅛ percent during the 2½ years ending in June 1963. Long-term rates in the private sector of the economy showed no tendency to rise in response to pressures being exerted in the shorter maturity areas. On the contrary, during the two-year period from June 1961 to June 1963, when bill rates were rising fairly consistently, rates on high grade corporate bonds, on municipal obligations, and on mortgages actually declined.

[1] The figures relating to the maturity structure of commercial bank holdings include only the holdings of commercial banks reporting to the Treasury Survey of Ownership. For further details see table 55.

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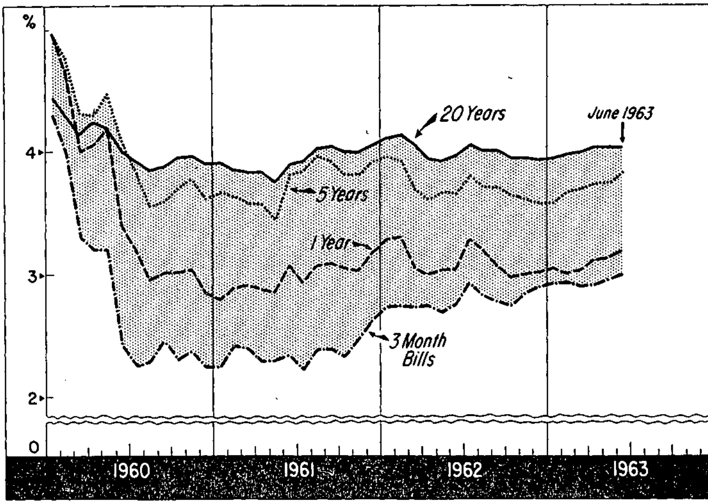
CHART 6

Market Yields at Constant Maturities[1] 1960-'63



[1] Estimated yields of U.S. Government securities at 1, 5, and 20 years; bank discount rates on bills; monthly averages of end of week figures.

PUBLIC DEBT OPERATIONS IN FISCAL 1963

The primary area in which the Treasury works toward its debt management objectives is the marketable debt. On June 30, 1963, $203.5 billion, or approximately two-thirds of the Federal debt of $306.5 billion, was in marketable issues. Of the total $7.8 billion increase in the debt during the year, $7.4 billion was accounted for by increases in marketable obligations. A summary of changes in the debt during the year is shown in the accompanying table.

Class of debt	June 30, 1962	June 30, 1963	Increase, or decrease (—)
	In billions of dollars		
Public debt:			
Interest bearing:			
Public issues:			
Marketable	196.1	203.5	7.4
Nonmarketable	53.4	53.6	.2
Total public issues	249.5	257.2	7.6
Special issues to Government investment accounts	44.9	44.8	—.1
Total interest-bearing public debt	294.4	302.0	7.5
Matured debt on which interest has ceased	.4	.3	—.1
Debt bearing no interest	3.3	3.6	.3
Total public debt	298.2	305.9	7.7
Guaranteed obligations not owned by Treasury	.4	.6	.2
Total gross public debt and guaranteed obligations	298.6	306.5	7.8

Exclusive of the refinancing of regular weekly, 3-month, and 6-month bills, the Treasury issued $77.4 billion of new marketable obligations during the fiscal year. Of this total, $16.5 billion was issued for new cash, including $5.5 billion of seasonal borrowing

which was retired before the end of the year. The remaining cash borrowings reflected not only demands on the Government's funds as a result of the budget deficit but also replacements of unexchanged portions of maturing securities in refundings and some limited additions to cash in the last month of the fiscal year in anticipation of fiscal 1964 needs.

In addition to new cash operations, $45.0 billion of securities was issued to refund maturing obligations, either through exchange offers or through payment in cash and the simultaneous offering of new issues. The remaining $15.9 billion of new securities issued in fiscal 1963 represented obligations issued in the course of refunding outstanding issues in advance of maturity.

Marketable debt is issued by the Treasury in the form of obligations ranging in maturity length from 3 months for certain Treasury bills to 40 years or more in the case of the longest Treasury bonds. It is essential for the Treasury to offer a wide range of maturities if it is to reach all types of demand for Government securities. The distribution among the various maturity classes of the $77.4 billion of new obligations issued during fiscal 1963 is summarized in the following table.

Maturity at issuance	*Amount issued, fiscal 1963* [In billions of dollars]
1 year and under:	
Bills:[1]	
Increases in regular 3-month and 6-month weekly series	4.5
Strip bill series[2]	1.0
1-year series	9.5
Tax anticipation series	5.5
Total bills	20.5
Certificates	24.1
Total 1 year and under	44.6
Over 1 year:	
1–5 years	16.1
5–10 years	13.4
10 years and over	3.2
Total over 1 year	32.7
Total marketable	77.4

[1] Excludes refinancing of regular weekly bills.
[2] Additional amounts of a series of outstanding Treasury bills maturing over a period of consecutive weeks.

New money operations in the regular bill market (exclusive of seasonal borrowing), which raised the volume of outstanding bills by $7.0 billion, took place during most months of the fiscal year. As the year began, the Treasury was in the midst of a cycle of increases in regular weekly bills which added a total of $200 million each week to the 3-month and 6-month series. This program was followed until mid-August 1962, when the cycle of increases in the

3-month series was completed. Weekly increases of either \$100 million or \$200 million in the 6-month series were continued through early January 1963, and resumed again for an 8-week period beginning March 28 and ending May 16. A strip of bills in the amount of \$1.0 billion, offered in mid-November, added \$100 million to each of the 10 bill issues maturing between January 17 and March 21, 1963. Including the strip-bill offering, regular 3-month and 6-month, Treasury bills outstanding amounted to \$37.7 billion on June 30, 1963, an increase of \$5.5 billion over June 30, 1962.

One-year bills were increased by a total of \$1.5 billion through additions of \$0.5 billion each at the refundings of the maturities of October 1962, January 1963, and April 1963. Seasonal borrowing in the form of tax anticipation bills was also undertaken in October 1962 and in February and March 1963, as shown in the table on page 30.

These continued financing operations in the bill market, in combination with Federal Reserve policy, supported the objective of bringing more upward pressure on Treasury bill rates, as was shown in chart 6. After a rise in July 1962, which carried the 3-month rate to almost 3 percent, short-term rates fell off somewhat in September and October. Partly in response to this situation, the Federal Reserve took action to avoid putting further downward pressure on bill yields when it supplied bank reserves to meet seasonal needs. Instead of buying Government securities, largely Treasury bills, the Federal Reserve released reserves in October through reducing reserve requirements against time deposits in member banks.

By mid-November 1962 the offering rate on new 3-month Treasury bills had again moved up beyond 2.80 percent. The rate continued to advance irregularly during the remainder of the fiscal year, with the offering rate on the shortest bills averaging close to 3 percent in June 1963.

The \$24.1 billion of one-year certificates issued in fiscal 1963 represented largely replacements of maturing obligations issued in the cash refunding of August 1962 and in the exchange operations of November 1962, February 1963, and May 1963. The details of these offerings are shown in the table on page 30.

The rates on new offerings of certificates in fiscal 1963 reflected the other efforts to maintain short-term rates. Certificates, like all coupon issues priced by the Treasury, are offered at prices to yield an interest return as close to prevailing market rates as is consistent with a successful operation, in order to keep the interest cost to the Treasury at a reasonable minimum. Offering rates on these obligations ranged between 3⅛ percent and 3½ percent during the fiscal year; the last issue, that of May 1963, carried a rate of 3¼ percent.

The Treasury's major progress in debt restructuring in fiscal 1963 was accomplished as a result of advance refunding operations. Although the major purpose of the first operation of the year of this type, the prerefunding of September 1962, was to clear the way for new financing in the under one-year area, it also contributed substantially to lengthening the debt by adding $5.3 billion to 1- to 5-year debt and $2.6 billion to the debt at the far end of the 5- to 10-year area.

In the advance refunding of March 1963 the Treasury took the novel step of combining a prerefunding and a junior advance refunding to place new issues in each of three longer maturity areas: the 1- to 5-year, the 5- to 10-year, and the 10-year and over. In all, $29.0 billion of outstanding securities was included in the double operation. Owners in the prerefunding group (holders of $18.7 billion of issues maturing from August 1963 through February 1964) were given the opportunity of exchanging their holdings for 3-year 11-month notes, 8-year 8-month bonds, or 16-year 11-month bonds. Owners in the junior advance refunding group (holders of $10.3 billion of issues maturing in November 1965 and in February, August, and November 1966) were offered in exchange either an 11-year 8-month bond or the longest bond (16-year 11-month) included in the prerefunding offer. Two of the eligible issues included in the prerefunding were being given their second opportunity for extension, and one of the eligible issues in the junior operation had been issued in the advance refunding of March 1961. This genealogy illustrates the flexibility with which the advance refunding technique can make available to investors new U.S. Government obligations in preferred maturity areas at times and in amounts suitable to their needs.

In both the advance refunding operations of fiscal 1963, cash adjustments were made to provide terms of exchange equally attractive to the holders of all eligible issues. The terms in most previous operations of this type also included such adjustments.

The March 1963 advance refunding, which resulted in a larger dollar volume of exchanges than had occurred previously in an operation of this type, made a substantial contribution to debt restructuring. A total of $8.0 billion of eligible holdings was exchanged: $4.3 billion for the notes, $2.6 billion for the medium-term bonds of 1971 and 1974, and $1.1 billion for the bonds of 1980. Further details of this operation, including allotments to subscribers, are shown in the tables on pages, 30, 31, and 32.

While advance refunding has proved the major instrument for debt restructuring in recent years, the Treasury has continued to take advantage of other favorable occasions for lengthening the debt. In three of the four regular refundings of fiscal 1963 (the cash refunding

of August 1962 and the exchange offers of November 1962 and February 1963) the options offered investors included 5- to 10-year maturities in addition to the customary short-term obligations. The cash refunding offer of August 1962 also included a 30-year bond. Owing to market conditions prevailing at the time, the options in the last refunding of the fiscal year, that of May 1963, were limited to a 1-year certificate and a 2-year 9-month note.

Two cash offers of the fiscal year were notable in that they represented sales of Treasury bonds through competitive bidding by syndicates of security dealers and banks, with the syndicate bidding the highest price receiving the entire issue. This competitive bidding procedure applied to bonds was a departure from the usual practice of offering such issues on the basis of a predetermined price and rate. Preparations for this pioneering event went on over a considerable period. On September 14, 1962, the Treasury announced that it would offer about $250 million of bonds at competitive bidding within the next 6 months and urged all interested persons and institutions to submit their views on the procedural and other aspects of the operation. Subsequently, meetings were held in which Treasury representatives explained the purposes and conditions of the forthcoming auction and again asked for comments and suggestions.

Announcement of the auction of $250 million 30-year 1-month bonds due in 1993 and callable in 1988 was made on December 20, 1962. The Treasury stated that the bonds would be offered to underwriters for competitive bidding on January 8; the underwriters in turn were required to make a bona fide reoffering of all of the bonds to the investing public. A few days before the auction it was announced further that bidders would be given a choice of a 4-percent or a 4⅛-percent coupon.

The bid of the winning syndicate, for a 4-percent coupon, resulted in an interest cost to the Treasury of 4.008210 percent, calculated to maturity—several basis points less than would have been required in a subscription offering. The bonds were offered by the syndicate at par and were rapidly disposed of to the public, with the major part going to savings-type investors.

Encouraged by this experience and by the good reception which had been accorded the 17-year bonds offered in the March advance refunding, the Treasury announced on March 20 that $300 million of 31-year 1-month obligations due in 1994 and callable in 1989 would be auctioned on April 9. Optional coupon rates of 4 percent and 4⅛ percent were again offered. The winning bid, in this instance for a 4⅛-percent coupon, resulted in a cost to the Treasury of 4.093145 percent. Although the basis cost of money to the Treasury provided by the winning bid was thus higher than that of the January auction,

the relationship of this bid to other prevailing yields in the market was approximately the same.

The new auction bond was priced by the syndicate at 100.75 per $100 of face amount to yield 4.082 percent to maturity. Investors showed only limited interest in the bonds at this rate, and reportedly one-half of the issue remained unsold when the syndicate terminated price restrictions on April 25. The Treasury has emphasized that bond auctions remain experimental, with testing under varying conditions essential to gauge the receptivity of the market to this type of offering.

One further cash offering beyond the short-term area was made before the end of the fiscal year. An upward revision in the debt limit toward the end of May 1963 (as reviewed below), made it possible for the Treasury to make a small start in June on the financing requirements of the new fiscal year. Accordingly, on June 6, 1963, the Treasury announced a cash offer at par of $1¼ billion 4 percent, 7-year 2-month bonds to mature in August 1970. Subscriptions in amounts up to and including $100,000 were to be allotted in full, while amounts subscribed over $100,000 would be allotted on a percentage basis. The Treasury indicated at the time of the announcement that it was prepared to enlarge the issue by 10 to 15 percent if investor interest proved sufficiently extensive.

The major purpose of the $100,000 full-allotment provision was the encouragement of subscriptions from small banks and others who might hesitate to guess at what the Treasury's allotment percentage might turn out to be. A high minimum, it was believed, would considerably broaden the area reached initially by Treasury cash offers outside the bill market.

The response to this offering far exceeded the Treasury's expectations. Subscriptions numbered almost 24,000 and amounted to approximately $16¼ billion. Since there was a possibility of undue speculative activity, the Treasury in cooperation with the Federal Reserve took unusual steps to weed out duplicate subscriptions. Nevertheless, in order to cover the basic allotments of $100,000 and give at least tradeable allotments to regular market participants, the issue was increased to $1.9 billion and percentage allotments on subscriptions of more than $100,000 were set at the very low figure of 5 percent.

The following tables summarize the financing operations during the fiscal year and show the results of the public offerings of marketable Treasury securities, excluding the refinancing of regular weekly bills. Table 43 shows allotments by investor classes. The exhibits on public debt operations give details of public offerings and allotments by issues in tables and representative circulars.

Public offerings of marketable Treasury securities excluding refinancing of regular weekly bills, fiscal year 1963

[In millions of dollars]

Date	Description of security	Issued for cash: For new money	Issued for cash: For refunding	Issued in exchange: For maturing issue	Issued in exchange: In advance refunding	Total
	BONDS, NOTES, AND CERTIFICATES OF INDEBTEDNESS					
1962						
Apr. 1	1½% exchange note—Apr. 1, 1967 [1]			[2] 222		222
Aug. 15	3½% certificate—Aug. 15, 1963	[3] 919	2,150	3,782		6,851
Aug. 15	4% bond—Feb. 15, 1969	[3] 550	1,286	8		1,844
Aug. 15	4¼% bond—Aug. 15, 1987-92 (issued at 101)	[3] 108	252	5		365
Sept. 15	3¾% note—Aug. 15, 1967				5,282	5,282
Sept. 15	4% bond—Aug. 15, 1972				2,579	2,579
Oct. 1	1½% exchange note—Oct. 1, 1967 [1]			457		457
Nov. 15	3⅛% certificate—Nov. 15, 1963			4,856		4,856
Nov. 15	3½% note—Nov. 15, 1965			3,286		3,286
Nov. 15	4% bond—Feb. 15, 1972			2,344		2,344
Dec. 15	3⅞% bond—Nov. 15, 1971 additional at 99.50			[4] 41		41
Dec. 15	4% bond—Feb 15, 1980 additional at 99.50			[4] 34		34
1963						
Jan. 17	4% bond—Feb. 15, 1988-93 auction [5]	250				250
Feb. 15	3¼% certificate—Feb. 15, 1964			6,741		6,741
Feb. 15	3¾% bond—Aug. 15, 1968 additional			2,490		2,490
Mar. 15	3⅝% note—Feb. 15, 1967				4,287	4,287
Mar. 15	3⅞% bond—Nov. 15, 1971 additional				1,515	1,515
Mar. 15	3⅞% bond—Nov. 15, 1974 additional				1,074	1,074
Mar. 15	4% bond—Feb. 15, 1980 additional				1,131	1,131
Apr. 1	1½% exchange note—Apr. 1, 1968 [1]			44		44
Apr. 18	4⅛% bond—May 15, 1989-94 auction [6]	300				300
May 15	3¼% certificate—May 15, 1964			5,693		5,693
May 15	3⅝% note—Feb. 15, 1966 additional			3,273		3,273
June 20	4% bond—Aug. 15, 1970	1,906				1,906
	Total bonds, notes, and certificates	4,033	3,688	33,276	15,868	56,865
	BILLS [7] (MATURITY VALUE)					
1962	Increases in regular weekly bill offerings:					
	July through September	2,002				
	October through December	1,511				
1963	January through March	292				
	April through June	698				
	Total increases	4,503				4,503
1962	Other bill offerings:					
July 15	3.257% 1 year—July 15, 1963		1,988	16		2,004
Oct. 3	2.616% 170-day (tax anticipation) Mar. 22, 1963	3,005				3,005
Oct. 15	2.969% 1 year—Oct. 15, 1963	497	1,813	190		2,500
Nov. 15	2.866% 94.5-day average for strip [8]	1,001				1,001
1963						
Jan. 15	3.015% 1 year—Jan. 15, 1964	495	1,962	39		2,496
Feb. 6	2.929% 138-day (tax anticipation) June 24, 1963	1,001				1,001
Mar. 22 [9]	2.855% 94-day (tax anticipation) June 24, 1963	1,502				1,502
Apr. 15	3.062% 1 year—Apr. 15, 1964	500	1,917	84		2,501
	Total bills	12,504	7,680	329		20,513
	Total public offerings	16,537	11,368	33,605	15,868	77,378

[1] Issued only on demand in exchange for 2¾% Treasury Bonds, Investment Series B-1975-80.
[2] Issued subsequent to June 30, 1962.
[3] Prorated on the basis of amount of each security issued for cash.
[4] Includes cash payments of $93,000 for the 3⅞% bonds and $101,825 for the 4% bonds on exchange of Series F and G savings bonds.
[5] The bonds were sold to a syndicate on the basis of competitive bidding for reoffering to the public. The winning bid was $99.85111 per $100 of face amount for a 4% coupon, resulting in a net basis cost to the Treasury of 4.008210% calculated to maturity.
[6] The bonds were sold to a syndicate on the basis of competitive bidding for reoffering to the public. The winning bid was $100.55119 per $100 of face amount for a 4⅛% coupon, resulting in a net basis cost to the Treasury of 4.093145%, calculated to maturity.
[7] Treasury bills are sold on a discount basis with competitive bids for each issue. The average price for auctioned issues gives an approximate yield on a bank discount basis as indicated for each series.
[8] Consists of additional amounts of ten series of outstanding regular weekly Treasury bills, $100 million maturing each week from Jan. 17 through Mar. 21, 1963.
[9] Additional to issue of Feb. 6, 1963.

Disposition of marketable Treasury securities excluding regular weekly bills, fiscal year 1963

[In millions of dollars]

Date of refunding or retirement	Security: Description and maturity date	Security: Issue date	Redeemed for cash or carried to matured debt	Exchanged for new security: At maturity	Exchanged for new security: In advance refunding	Total
	BONDS, NOTES, AND CERTIFICATES OF INDEBTEDNESS					
1962						
Aug. 15	4% note-Aug. 15, 1962	Sept. 26, 1957	154	4		158
Aug. 15	3¼% note-Aug. 15, 1962	Feb. 15, 1961	3,534	[1] 3,791		7,325
Sept. 15	3½% certificate-Feb. 15, 1963	Feb. 15, 1962			1,142	1,142
Sept. 15	2⅝% note-Feb. 15, 1963	Apr. 15, 1958			1,352	1,352
Sept. 15	3¼% note-Feb. 15, 1963	Nov. 15, 1961			1,383	1,383
Sept. 15	3¼% certificate-May 15, 1963	May 15, 1962			1,401	1,401
Sept. 15	3¼% note-May 15, 1963	May 15, 1961			2,021	2,021
Sept. 15	4% note-May 15, 1963	Apr. 1, 1959			560	560
Oct. 1	1½% note-Oct. 1, 1962	Oct. 1, 1957	590			590
Nov. 15	3¾% note-Nov. 15, 1962	Nov. 29, 1957	92	1,051		1,143
Nov. 15	3¼% note-Nov. 15, 1962	Aug. 1, 1961	112	5,970		6,082
Nov. 15	2¼% bond-Dec. 15, 1959–62	Nov. 15, 1945	219	2,050		2,269
Nov. 15	2¾% bond-Dec. 15, 1960–65 [2]	Dec. 15, 1938	73	1,412		1,485
1963						
Feb. 15	3½% certificate-Feb. 15, 1963	Feb. 15, 1962	59	5,660		5,719
Feb. 15	2⅝% note-Feb. 15, 1963	Apr. 15, 1958	91	1,396		1,487
Feb. 15	3¼% note-Feb. 15, 1963	Nov. 15, 1961	84	2,175		2,259
Mar. 15	3½% certificate-Aug. 15, 1963	Aug. 15, 1962			1,671	1,671
Mar. 15	2½% bond-Aug. 15, 1963	Dec. 15, 1954			2,856	2,856
Mar. 15	3⅛% certificate-Nov. 15, 1963	Nov. 15, 1962			302	302
Mar. 15	3% bond-Feb. 15, 1964	Feb. 14, 1958			1,066	1,066
Mar. 15	3½% note-Nov. 15, 1965	Nov. 15, 1962			332	332
Mar. 15	3⅝% note-Feb. 15, 1966	May 15, 1962			734	734
Mar. 15	3% bond-Aug. 15,1966	Feb. 28, 1958			460	460
Mar. 15	3⅜% bond-Nov. 15, 1966	Mar. 15, 1961			586	586
Apr. 1	1½% note-Apr. 1, 1963	Apr. 1, 1958	533			533
May 15	3¼% certificate-May 15, 1963	May 15, 1962	117	5,167		5,284
May 15	4% note-May 15, 1963	Apr. 1, 1959	266	917		1,183
May 15	3¼% note-May 15, 1963	May 15, 1961	146	2,881		3,027
	Total bonds, notes, and certificates		6,070	32,474	15,866	54,410
	BILLS					
1962						
July 16	2.908% July 15, 1962	July 15, 1961	1,988	[1] 16		2,004
Sept. 21	2.896% (tax anticipation) Sept. 21, 1962	Mar. 23, 1962	[3] 1,802			1,802
Oct. 15	2.975% Oct. 15, 1962	Oct. 16, 1961	1,813	[1] 190		2,003
1963						
Jan. 15	3.366% Jan. 15, 1963	Jan. 15, 1962	1,962	[1] 39		2,001
Mar. 22	2.616% (tax anticipation) Mar. 22, 1963	Oct. 3, 1962	[3] 3,005			3,005
Apr. 15	2.943% Apr. 15, 1963	Apr. 15, 1962	1,917	[1] 84		2,001
June 24	2.929% (tax anticipation) June 24, 1963	Feb. 6, 1963	[3] 1,001			1,001
June 24	2.855% (tax anticipation) June 24, 1963	Feb. 16, 1963	[3] 1,502			1,502
	Total bills		14,990	329		15,319
	Total securities		21,060	32,803	15,866	69,729

[1] Accepted in payment in lieu of cash.
[2] Called on Aug. 14, 1962, for redemption on Dec. 15, 1962.
[3] Including tax anticipation issues redeemed for taxes.

As was evident on various occasions during the year, debt management operations in fiscal 1963 had to be conducted within a debt limit which at times considerably restricted flexibility of action. In an act approved July 1, 1962, Congress for the first time had attempted to fit changes in the debt limit to the seasonal pattern of Treasury financing. Temporary ceilings above the $285 billion permanent limit were authorized as follows: $308 billion from July 1, 1962,

Allotments of marketable Treasury securities other than regular weekly bills, fiscal year 1963 [1]

[In millions of dollars]

Date of financing	Description of security	Amount issued	Allotments by investor classes: U.S. Government investment accounts and Federal Reserve Banks	Commercial banks [2]	All others
	BONDS, NOTES, AND CERTIFICATES OF INDEBTEDNESS				
1962					
Aug. 15	3½% certificate—Aug. 15, 1963-C [3]	6,851	3,804	1,080	1,967
Aug. 15	4% bond—Feb. 15, 1969 [3]	1,844	100	1,291	453
Aug. 15	4¼% bond—Aug. 15, 1987-92 [3]	365	50	115	200
Sept. 15	3¾% note—Aug. 15, 1967-A	5,282	21	3,585	1,676
Sept. 15	4% bond—Aug. 15, 1972	2,579	320	1,146	1,113
Nov. 15	3⅛% certificate—Nov. 15, 1963-D	4,856	3,796	431	629
Nov. 15	3½% note—Nov. 15, 1965-B	3,286	1	2,238	1,047
Nov. 15	4% bond—Feb. 15, 1972	2,344	6	1,504	834
Dec. 15	3⅞% bond—Nov. 15, 1971 additional	41	(*)	2	39
Dec. 15	4% bond—Feb. 15, 1980 additional	34	(*)	1	33
1963					
Jan. 17	4% bond—Feb. 15, 1988-93 [4]	250		50	200
Feb. 15	3¼% certificate—Feb. 15, 1964-A	6,741	3,923	1,512	1,306
Feb. 15	3¾% bond—Aug. 15, 1968 additional	2,490	15	1,635	840
Mar. 15	3⅝% note—Feb. 15, 1967-B	4,287	20	2,711	1,556
Mar. 15	3⅞% bond—Nov. 15, 1971 additional	1,515	30	923	562
Mar. 15	3⅞% bond—Nov. 15, 1974 additional	1,074	152	491	431
Mar. 15	4% bond—Feb. 15, 1980 additional	1,131	124	278	729
Apr. 18	4⅛% bond—May 15, 1989-94 [4]	300		166	134
May 15	3¼% certificate—May 15, 1964-B	5,693	3,327	1,327	1,039
May 15	3⅝% note—Feb. 15, 1966-B additional	3,273	85	2,033	1,155
June 20	4% bond—Aug. 15, 1970	1,906		886	1,020
	BILLS				
1962					
July 15	3.257% July 15, 1963	2,004	44	952	1,008
Oct. 3	2.616% (tax anticipation) Mar. 22, 1963	3,005		2,975	30
Oct. 15	2.969% Oct. 15, 1963	2,500	280	1,209	1,011
Nov. 15	2.866% strip [5]	1,001		575	426
1963					
Jan. 15	3.015% Jan. 15, 1964	2,496	62	1,331	1,103
Feb. 6	2.929% (tax anticipation) June 24, 1963	1,001		416	585
Mar. 22	2.855% (tax anticipation) June 24, 1963 additional	1,502		714	788
Apr. 15	3.062% Apr. 15, 1964	2,501	112	1,192	1,197

* Less that $500,000.
[1] Excludes 1½% Treasury EA and EO notes issued in exchange for nonmarketable 2¾% Treasury Bonds, Investment Series B-1975-80.
[2] Includes trust companies and stock savings banks.
[3] Offerings of these securities, subject to allotments, were made for the purpose of paying off maturing securities in cash. Holders of the maturing securities were not offered preemptive rights to exchange their holdings but were permitted to present them in payment or exchange, in whole or in part, for the new issues.
[4] Sold at competitive bidding with allotment distribution based on sales reported by syndicate members.
[5] Consists of an additional $100 million each of ten series of outstanding weekly bills issued in a strip on Nov. 15, 1962, maturing Jan. 17 to Mar. 21, 1963, inclusive.

through March 31, 1963; $305 billion from April 1 through June 24, 1963; and $300 billion from June 25 through June 30, 1963. The successive declines were intended to reflect the fact that, under favorable circumstances, it is possible to reduce or liquidate the seasonal borrowing of July-December during the heavy tax payment months of April and June. The extent to which this can in fact be accomplished is dependent, of course, on the budgetary situation at the time.

Before the end of calendar 1962 it became apparent that the reductions scheduled for April 1 and June 25, 1963, were unrealistic in view of the budgetary deficit anticipated for fiscal 1963 and the financing which would be required during the final quarter of the fiscal year. On January 17, 1963, President Kennedy included in his budget message a request for legislation that would extend the current $308 billion temporary debt limit through the remainder of fiscal 1963. Following this message, Secretary Dillon appeared before the House Ways and Means Committee on February 27 in support of the proposed legislation. See exhibit 15.

The House took no immediate action, and the lower ceiling of $305 billion went into effect on April 1, 1963. On May 15 the House acted on the Treasury's request by passing legislation establishing temporary limits of $307 billion through June 30, 1963, and $309 billion for the first two months of fiscal 1964. Each of these limits was $1 billion below the levels requested. It was believed that by the end of August 1963 a clearer view of probable tax changes, as well as appropriations for fiscal 1964, would be possible.

On May 28, 1963, after Secretary Dillon had appeared before the Senate Finance Committee urging passage of the House bill (see exhibit 16), the Senate passed the requested legislation and it was approved by the President on the following day. The new legislation made it possible for the Treasury once more to take advantage of favorable circumstances for the programming of new money operations.

Public nonmarketable debt increased by $0.2 billion during the year, reaching $53.6 billion on June 30, 1963. This relatively small net change nevertheless comprised substantial increases and decreases in the various types of public nonmarketable interest-bearing debt outstanding. The largest change during the year was a $0.8 billion decline in investment series bonds. As in the past, this change was due principally to the exchange of nonmarketable Series B investment bonds for marketable 5-year, 1½ percent exchange notes.

During fiscal 1963 the Treasury expanded the foreign borrowing operations begun a year earlier, when for the first time since 1918 the Treasury borrowed directly from foreign official agencies. Innovations in foreign borrowing operations during fiscal 1963 included a lengthening of the original maturity of the securities involved through the issuance of notes and bonds as well as certificates. Foreign nonmarketable securities increased by $0.3 billion during fiscal 1963, reaching $1.3 billion on June 30. This total includes $0.5 billion of certificates of indebtedness, and $0.8 billion of the longer term securities, denominated in both foreign currencies and U.S. dollars, issued to foreign governments and central banks. In keeping with the needs of foreign central banks, certain of the notes and bonds

provide for the possibility of conversion into short-term U.S. obligations denominated in the same currency as the original security, whether U.S. dollars or foreign currency.

In some cases these securities issued to central banks have been specifically designed to deal with special operations. For example, a $58.0 million Treasury note was issued with an original maturity of five years, redeemable before maturity for the purpose of purchasing promissory notes held by the Export-Import Bank of Washington. These nonmarketable foreign series and foreign currency series securities, issued at interest rates equal to those prevailing for comparable maturities in the U.S. market, provide foreign central banks and governments with attractive investment possibilities as an alternative to purchases of gold from the United States or of U.S. securities in the money market.

In January 1963 the Treasury inaugurated a new nonmarketable security, the U.S. retirement plan bond, in accordance with the Self-Employed Individuals Tax Retirement Act of 1962 (26 U.S.C. 401–05). These bonds may be purchased only in connection with bond purchase plans and pension and profit-sharing plans as described in the 1962 act. There was less than $1 million of the retirement plan bonds outstanding on June 30, 1963. Treasury Department regulations governing the issuance of the new retirement bonds will be found in exhibit 12.

Class of security	June 30, 1962	June 30, 1963	Increase, or decrease (–)
	In millions of dollars		
U.S. savings bonds:			
Series E	38,260	39,166	906
Series H	6,695	7,193	498
Subtotal E and H	44,955	46,359	1,404
Series F and G	853	246	–607
Series J and K	1,799	1,709	–90
Subtotal savings bonds	47,607	48,314	707
Certificates of indebtedness:			
Foreign series	860	465	–395
Foreign currency series	75	25	–49
Treasury notes—Foreign series		183	183
Treasury bonds—Foreign currency series		604	604
Treasury certificates		2	2
U.S. retirement plan bonds		(*)	(*)
Treasury bonds:			
REA series	25	27	2
Investment series	4,727	3,921	–806
Depositary bonds	138	103	–35
Total interest-bearing public nonmarketable issues	53,431	53,645	214

*Less than $500,000.

U.S. savings bonds, which are demand securities payable at guaranteed redemption values, account for the largest portion of the nonmarketable public debt. Series E and Series H, the only savings bonds currently being sold, increased by $1.4 billion during the year, reaching a total of $46.4 billion on June 30, 1963. These two series, purchased principally by individuals, represented over 15 percent of the total interest-bearing debt at the end of the fiscal year 1963. Outstanding savings bonds of Series F, G, J, and K declined by $0.7 billion during the year. Of this total, $75 million of Series F and G bonds maturing in 1963 and 1964 was exchanged for marketable bonds maturing in 1971 and 1980 during the special offering effective December 15, 1962. Issuance of F and G bonds was discontinued in 1952 and only about $100 million of the outstanding amount had maturities beyond December 1963; consequently, the exchange offer was made to holders of all remaining unmatured bonds in these series rather than being limited as during similar offerings in the past to bonds maturing in the coming calendar year. The December 1962 offer was also the first in which holders of F and G bonds were given the option of a longer term as well as a medium-term security. At the close of fiscal 1963, $48.3 billion of interest-bearing savings bonds was outstanding, a net increase of $0.7 billion during the year.

In September 1962 the Treasury announced that taxpayers would be offered the option of receiving tax refunds in the form of Series E savings bonds, beginning with refunds due on calendar 1962 income tax payments. During the second half of fiscal 1963 approximately 237,000 E bonds with a cash value of over $19 million were issued to taxpayers requesting refunds in this form.

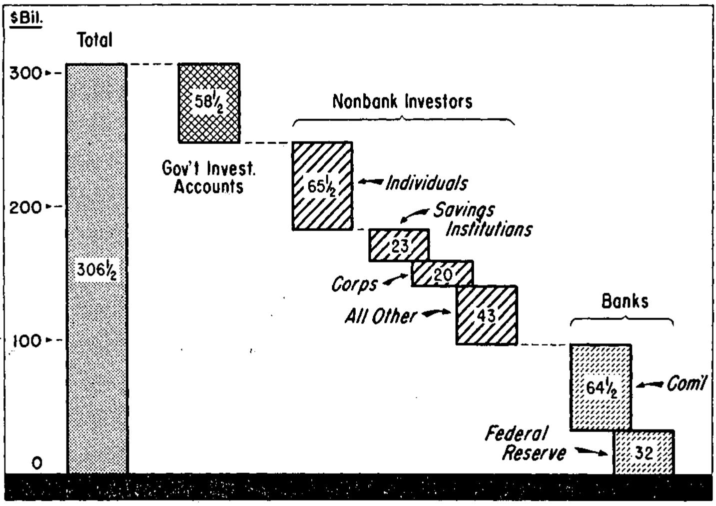
Although the provisions of the legislation approved October 5, 1961 (26 U.S.C. 6109) did not in terms apply to interest payments made on obligations of the United States issued by the Treasury Department, the Secretary of the Treasury decided that the Treasury should place itself on the same plane as other obligors insofar as feasible. To accomplish this objective, the Treasury initiated a program during the fiscal year 1963 to obtain taxpayer identifying numbers (social security account numbers or employer identification numbers) from current recipients of interest payments on Series H and K savings bonds and marketable Treasury bonds and notes in registered form. In this same connection, to facilitate future reporting of such interest payments to the Internal Revenue Service, the Treasury made provision for obtaining the pertinent taxpayer identifying numbers in the registration of all future issues of those securities.

OWNERSHIP OF FEDERAL SECURITIES

Of the $306.5 billion Federal debt outstanding on June 30, 1963, $151.7 billion, or almost one-half, was in the hands of private nonbank investors. This group comprises individuals (including partnerships and personal trust accounts), insurance companies, mutual savings banks, savings and loan associations, nonfinancial corporations, pension funds, foreign and international accounts, State and local governments, nonbank dealers, and nonprofit associations. Commercial banks and Federal Reserve Banks together held $96.4 billion, representing nearly one-third of the debt. The remaining $58.4 billion was held in Government investment accounts, primarily social security and unemployment trust funds, veterans' insurance funds, and Government employees' retirement funds. These figures are graphically presented in chart 7.

CHART 7

Ownership of the Federal Debt, June 30, 1963



Private nonbank investors acquired $4.4 billion of the total $7.8 billion increase in the Federal debt during fiscal 1963. In addition, Government investment accounts absorbed $1.9 billion of the total, and the banking system (commercial and Federal Reserve Banks) accounted for the remaining $1.6 billion. Investor class ownership of Federal securities on selected dates is presented in the following table.

Ownership of Federal securities [1] by investor classes on selected dates, 1941–63

[Dollar amounts in billions]

	June 30, 1941	Feb. 28, 1946 [2]	June 30, 1962	June 30, 1963	Change during fiscal year 1963
Estimated ownership by:					
Private nonbank investors:					
Individuals [3]	$11.2	$64.1	r $64.7	$65.5	$0.8
Insurance companies	7.1	24.4	11.3	10.8	-.5
Mutual savings banks	3.4	11.1	6.3	6.1	-.1
Corporations [4]	2.0	19.9	r 19.6	20.2	.6
State and local governments	.6	6.7	19.7	20.7	1.0
Foreign and international [5]	.2	2.4	14.1	15.8	1.7
Miscellaneous investors [6]	.5	6.6	11.6	12.5	.9
Total private nonbank investors	25.0	135.1	r 147.3	151.7	4.4
Federal Government investment accounts	8.5	28.0	56.5	58.4	1.9
Commercial banks	19.7	93.8	r 65.2	64.4	-.8
Federal Reserve Banks	2.2	22.9	29.7	32.0	2.4
Total gross debt outstanding	55.3	279.8	298.6	306.5	7.8
	Percent of total				
Percent owned by:					
Private nonbank investors:					
Individuals	20	23	22	21	....
Other	25	25	28	28	....
Total	45	48	49	50	....
Federal Government investment accounts	15	10	19	19	....
Commercial banks	36	34	22	21	....
Federal Reserve Banks	4	8	10	10	....
Total gross debt outstanding	100	100	100	100	....

r Revised.
[1] Gross public debt, and guaranteed obligations of the Federal Government held outside the Treasury.
[2] Immediate postwar peak of debt.
[3] Includes partnerships and personal trust accounts. Nonprofit institutions and corporate pension trust funds are included under "Miscellaneous investors."
[4] Exclusive of banks and insurance companies.
[5] Includes the investments of foreign balances and international accounts in the United States.
[6] Includes savings and loan associations, nonprofit institutions, corporate pension trust funds, and dealers and brokers.

Individuals increased their ownership of Federal securities during the fiscal year by $0.8 billion. They remained the largest single investor group in the Federal debt ownership structure. A $1.3 billion increase in holdings of Series E and H savings bonds was partially offset by continued redemptions of the discontinued Series F, G, J, and K savings bonds and a small net liquidation of marketable issues. Sales of E and H savings bonds in fiscal 1963 were at a five-year peak. Although this is basically a reflection of the sharp increase in all forms of individual savings during the period, much of the increase, particularly in sales of small denomination Series E bonds, can be credited to the effective savings bonds campaigns conducted throughout the year.

Holdings of Federal securities by insurance companies on June 30, 1963, amounted to $10.8 billion, $0.5 billion less than a year earlier. A little more than one-half this total ($5.6 billion) was held by life

insurance companies which continued to reduce their holdings of shorter term governments, by a net $0.6 billion liquidation during the fiscal year. By participating in the two advance refundings during the year and liquidating other shorter term holdings, life companies increased the average maturity of their marketable holdings by one-half year to an average of slightly more than 21 years.

The remaining companies in the insurance group, fire, casualty, and marine insurance companies, made small net additions to their holdings of Federal securities during the year. In contrast to life insurance companies, the fire, casualty, and marine group held predominantly short-term obligations. Almost ninety percent of their marketable Federal holdings on June 30, 1963, had maturities of less than 10 years, with an average maturity length for these holdings of less than 6 years.

Mutual savings banks held $6.1 billion of Federal securities on June 30, 1963, which was $0.1 billion less than a year earlier.

Corporations added a net $0.6 billion to their holdings of Federal securities during fiscal 1963. Large manufacturing companies (primarily producers of automobiles and basic metals) accounted for the entire increase. Net additions to corporate holdings represented mainly a funding of larger amounts of Federal tax liabilities which exceeded $14 billion on June 30, 1963, the highest June 30 level since 1953.

State and local governments showed an increase of about $1 billion in their holdings of Federal securities during the fiscal year, partly as the result of market conditions which made capital borrowing by municipalities particularly attractive. Federal securities were used as an investment outlet for proceeds of these borrowings which were temporarily idle before being utilized. More than one-half of the $14.4 billion Federal securities held by general purpose municipal funds on June 30, 1963, mature in the twelve months of fiscal 1964. However, there remains a sizeable investment in longer term securities, primarily in endowment and sinking funds. State and local employee retirement funds held $6.3 billion of Federal securities on June 30, 1963, which was $0.3 billion more than a year earlier. The investments of these funds are concentrated in the longest term Treasury securities and the average maturity of their marketable U.S. Government issues at the end of fiscal 1963 exceeded 20 years.

Foreign balances invested in Federal securities increased by $1.6 billion during the year, to $10.4 billion on June 30, 1963. Of this total, $1.3 billion was in the form of special, nonmarketable securities (denominated either in dollars or in certain foreign currencies) which were issued directly to foreign monetary authorities. International and regional institutions increased their holdings by $0.1 billion, to

$5.4 billion at the close of the fiscal year. Major changes were a $0.3 billion increase in the special noninterest-bearing notes issued to the International Monetary Fund and a decrease of $0.2 billion in the marketable securities held by the International Bank for Reconstruction and Development.

Other investors held approximately $12.5 billion of Federal securities on June 30, 1963. Almost one-half of this total represented the $6.2 billion holdings of savings and loan associations which showed an $0.8 billion increase during fiscal 1963. Activity of the remaining investor groups (nonprofit associations, nonbank dealers, corporate pension funds, and certain smaller institutions) resulted in very little net change during the year.

Government investment accounts added $1.9 billion to their holdings of Federal securities during the year. Of the $58.4 billion held on June 30, 1963, $44.8 billion, or over three-fourths of the total, was in the form of special securities issued only to these accounts. The largest increases in holdings were registered by the Government employee retirement funds ($1.1 billion), the Federal home loan banks ($0.6 billion), the unemployment trust fund ($0.5 billion), and the Federal Savings and Loan Insurance Corporation ($0.3 billion). The major offset to these increases was a $0.8 billion reduction in the Federal old-age and survivors insurance trust fund. Details on the ownership by Government investment accounts are shown in tables 65 to 82, inclusive.

The net increase of $1.6 billion in the Federal security holdings of the banking system during fiscal 1963 reflected an increase of $2.4 billion in the Federal Reserve System account together with a decline of $0.8 billion in commercial bank ownership. Steadily increasing operating costs, particularly the December 1961 supplement to the Federal Reserve's Regulation Q which authorized an increase in the rates payable by member banks on their time and savings deposits, impelled commercial banks to seek higher-yielding outlets for some of the funds that previously had been invested in Federal securities. Tax-exempt State and local bonds became attractive as relatively low-risk alternative investments, and the banks moved heavily into the municipal market. There was a tendency, too, for banks to lengthen the maturity of their portfolios of Federal securities to take advantage of the higher rates offered on longer issues. The average length of the marketable U.S. Government securities held by commercial banks increased by eight months during fiscal 1963.

The decline in commercial bank holdings was centered in the reserve city banks, as New York and Chicago institutions liquidated $1.0 billion and other reserve city banks dropped $1.2 billion. The smaller

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country member and nonmember banks showed a net increase of $1.4 billion in holdings of Federal securities during the year.

A breakdown of the estimated changes during fiscal 1963 in bank versus nonbank ownership is given by type of issue in the following table. A summary of the Treasury Survey of Ownership of the interest-bearing public debt and guaranteed obligations for fiscal 1963 is shown in table 55.

Estimated changes in ownership of Federal securities [1] by type of issue, fiscal year 1963

[In billions of dollars]

	Total changes	Change accounted for by—			
		Private nonbank investors	Government investment accounts	Commercial banks	Federal Reserve Banks
Marketable securities:					
Treasury bills:					
Weekly—maturing within 3 months	3.3	3.4	0.2	−0.6	0.2
Weekly—maturing in 3–6 months	2.2	1.2	.3	.7	(*)
Annual	1.5	.6	−.2	.8	.3
Tax anticipation	−1.8	−1.5	(*)	−.2	−.1
Total bills	5.2	3.6	.3	.8	.4
Treasury certificates of indebtedness	8.6	.1	.1	−.4	8.8
Treasury notes	−13.3	−3.7	−.1	−2.1	−7.5
Treasury bonds, etc	7.1	3.8	1.7	1.0	.6
Total marketable	7.6	3.8	2.1	−.7	2.4
Nonmarketable securities, etc.:					
U.S. savings bonds	.7	.8	(*)	−.1	
Special issues to Government investment accounts	−.1		−.1		
Treasury bonds, investment series	−.8	−.7	−.1	(*)	
Other	.5	.5		(*)	
Total nonmarketable, etc	.2	.6	−.2	−.1	
Total change	7.8	4.4	1.9	−.8	2.4

*Less than $50 million.

[1] Gross public debt, and guaranteed obligations of the Federal Government held outside the Treasury.

Taxation Developments

Tax policy in 1963 was placed in the forefront in the effort to achieve full employment, more rapid economic growth, and stability in our balance of payments. On January 24, 1963, the President presented far-reaching recommendations for tax reduction and structural revision (see exhibit 18). After extensive public hearings and lengthy executive sessions, the House Ways and Means Committee prepared a bill based upon those recommendations which was approved by the House of Representatives. The Senate Finance Committee then held hearings on the bill and had it under consideration in executive sessions at the end of the calendar year 1963. In his July balance-of-payments message the President proposed an interest equalization tax to strengthen the Nation's balance-of-payments position. In other developments, the rates of the corporate income tax and certain excise taxes were extended for another year.

Presidential tax recommendations

Tax reduction and structural revision.—The President on January 24, 1963, outlined a major program of tax reduction and structural revision intended to supplement the important legislation enacted in 1962. Paramount in his program was a reduction in individual and corporate taxes which would have reduced tax liabilities by over $10 billion. (For a discussion of the President's previous proposals and the 1962 act see the 1962 annual report, pp. 11–15 and 62–68.) This substantial reduction in taxes, which was to be implemented in three stages covering a 15-month period, was proposed to reduce the waste of unemployment and unused physical resources and improve the climate for more vigorous long-term economic growth.

The structural revisions proposed by the President included both revenue-losing measures to relieve hardships and revenue-raising measures to broaden the tax base. The structural revisions would, on balance, have increased revenues substantially, thus permitting larger rate reductions than would otherwise have been possible. The changes were designed also to minimize the diversion of energy and resources from more productive activity to tax avoidance and to make the economy more responsive to market forces.

To improve equity, relieve hardships, and encourage growth, the structural revisions included: A minimum standard deduction under the individual income tax; a liberalized deduction for the care of children and disabled dependents; revision of the tax treatment of older persons; a more comprehensive income-averaging provision for individuals; a deduction for moving expenses to establish equal tax treatment for all employees; simplification of the upper limit to the deduction for charitable contributions; simplification of the floor under medical expenses; and the current deduction of expenditures for machinery and equipment used directly in research or development activities.

The base-broadening provisions included: Limiting itemized deductions by individuals to the amount in excess of 5 percent of adjusted gross income; limiting the casualty loss deduction to the amount of total losses in excess of 4 percent of adjusted gross income; repealing the unlimited charitable deduction; repealing the sick pay exclusion; repealing the dividend credit and exclusion; including in employees' taxable income the current value of employer-financed group term life insurance coverage in excess of $5,000; tightening the personal holding company provisions; and, in the case of income from natural resources, limiting defects which now arise in connection with the 50-percent net income limitation on percentage depletion; the grouping of oil and gas properties for tax purposes; the deduction from ordinary income of amounts later recovered and taxed at the capital gains tax rate;

and the deduction of foreign development costs or the foreign tax credit.

In the proposed reduction in corporate tax rates, the President recommended that the 2-percent tax on consolidated returns be repealed and that action be taken to limit the use of multiple surtax exemptions. He also proposed placing the estimated tax payments of large corporations on the same fully current basis as those of individuals.

The President also recommended important changes in the taxation of capital gains. Central to these recommendations was a proposal for taxing the untaxed gains accrued on capital assets at the time of their transfer by reason of death or gift. In connection with this revenue-raising proposal he recommended that the present 50-percent inclusion ratio for capital gains be reduced to 30 percent, that the holding period be increased from six months to one year, and that an indefinite loss carryover be permitted. Changes in the definition of capital gains were proposed to limit capital gains treatment to transactions which clearly merit such treatment. Recommendations in this area were made with regard to real estate sales and restricted stock options. Additional items were included in the February 6, 1963, statement of Secretary Dillon before the House Committee on Ways and Means (see exhibit 19). Included in the list presented by the Secretary were: The sale of timber, coal royalties, lump-sum pension and profit-sharing distributions; the sale of livestock and other property used in farming; the sale of patents; the disposition of assets for deferred payments; and the sale of life estates.

The President's program called for tax rate reductions which would have reduced individual and corporate liabilities by $13.6 billion. Individual tax rates would have been reduced from the present range of 20 to 91 percent to a range of 14 to 65 percent. The normal tax rate, which applies to all corporate net income, would have been reduced from 30 to 22 percent while the surtax rate, which applies to income in excess of $25,000, would have been adjusted so that the combined normal and surtax rates would be equal to 47 percent. Base broadening structural reforms would have recouped $3.1 billion from individuals and $250 million from corporations, more than offsetting the $800 million of revenue-reducing revisions. In addition, the capital gains provisions would have increased revenues by an estimated $750 million, largely by inducing the more rapid turnover of capital assets.

Following the presentation of the President's tax message, hearings were held by the Ways and Means Committee of the House of Representatives. Secretary Dillon was the first witness, appearing before the committee on February 6. The 27 days of public hearings lasted

until March 27 and filled over 4,000 pages of testimony. Following the hearings, the committee met in a lengthy series of executive sessions in which Treasury representatives participated. On September 10 the Ways and Means Committee agreed to a bill embodying many of the President's recommendations. The bill was reported to the full House and subsequently passed by that body on September 25. The Senate Committee on Finance started hearings on the bill on October 15 with Secretary Dillon as the first witness. Public hearings were concluded on December 10. At the end of the year, the bill was still under consideration by the committee.

Interest equalization tax.—On July 18, 1963, the President sent a special message to the Congress addressed to the difficult problem of eliminating the deficit in the U.S. balance of payments. One of the recommendations contained in that message called for the enactment of an interest equalization tax to discourage the outflow of U.S. capital. This tax, which is described in greater detail in the section on international tax developments, would apply to portfolio investments made by Americans in foreign securities and would have the effect of increasing by approximately 1 percentage point the interest cost to foreigners of obtaining capital in this country.

Other items.—In his budget message for the fiscal year 1964, delivered on January 17, 1963, the President recommended legislation to extend for an additional year certain excise tax rates and the normal corporate income tax rate. He also renewed recommendations he had made in 1962 for the enactment of a series of user charges for commercial and general aviation and for transportation on inland waterways. These recommendations would assure that passengers and shippers who benefit from special Government programs bear a more equitable share of the costs of these programs. (Details of the 1962 program may be found in the 1962 annual report, pp. 71–72.) In connection with proposals to acquire more land for recreational purposes, the President recommended financing through a land and water conservation fund. One source of revenue for the fund would be a tax of 4 cents a gallon on fuel used in motorboats. Such fuel is already subject to a net tax of 2 cents a gallon.

Revenue Act of 1963

H.R. 8363, the Revenue Act of 1963, as approved by the House of Representatives, calls for an overall tax reduction of $11.08 billion, to be effected in two stages, beginning with reductions totaling $7.08 billion on January 1, 1964. The full tax cut would be effective on January 1, 1965.

The most distinctive feature of the bill is a top-to-bottom reduction in individual income tax rates. The rates would be lowered from

their present range of 20 to 91 percent to a range of 14 to 70 percent. The present first taxable income bracket would be split into four equal segments, to be taxed at the rates of 14, 15, 16, and 17 percent, respectively. Over 50 percent of all taxpayers have taxable incomes that fall entirely within the present first taxable income bracket. On the average, the tax rates would be reduced by 20 percent. Individual rates would be reduced by two-thirds of the full reduction in 1964.

The combined corporate normal and surtax rate would be reduced from 52 percent to 48 percent. The tax rate on the initial $25,000 of corporate net income, which is of particular importance to small businesses, would be reduced from 30 percent to 22 percent on January 1, 1964. At the same time, the surtax rate would be raised from 22 percent to 28 percent. On January 1, 1965, the surtax rate would be reduced to 26 percent. Another change in the corporate tax system would require more current payment of estimated tax. The acceleration of corporate tax payments would affect only corporations with tax liabilities in excess of $100,000. Current payments would be required in April and June (in addition to those now required in September and December). The changeover would be carried out on a stepped-up basis for the years 1964–70.

The rate reductions in the bill would reduce individual and corporate liabilities by $11.66 billion when fully effective. This reduction would be offset in part by the net effect of structural changes which would increase liabilities by $600 million, by capital gains revisions which would increase revenues as a result of the more rapid turnover of capital assets, and the acceleration of corporate tax payments over a seven-year transition period.

Some of the structural changes contained in the bill provide for the relief of hardship and improved equity. Provisions in this category include a minimum standard deduction of $300 for every taxpayer plus an additional $100 deduction for each exemption after the first. Married taxpayers filing separately would each be entitled to a minimum standard deduction of $200. This provision will provide $320 million of tax relief to low income taxpayers, that is, those whose 10 percent standard deduction is less than the value of the minimum standard deduction.

The bill would liberalize the deduction for the care of children and disabled dependents by increasing the maximum deduction from $600 to $900 where there are two or more children or disabled dependents to support in the case of widows, widowers, and persons with disabled spouses. It also raises from eleven to twelve the age limit for nondisabled children of the taxpayer for whom the deduction may be claimed. The provision would reduce liabilities by $5 million.

Provision is made for a practical and uniform system of averaging which will be of assistance to individuals whose incomes rise substantially relative to the average of the preceding four-year period. In general, individuals could average that portion of their current taxable income which exceeds 133 percent of their average income over the prior four taxable years, provided the excess is over $3,000. The tax on the income subject to "averaging" would be five times the amount payable on one-fifth of the amount subject to averaging. The provision would reduce liabilities by $40 million a year.

The bill provides more uniform treatment for employee moving expenses. A moving expense deduction would be available to new employees whose reimbursements by employers for moving expenses under present law must be included in income, and to nonreimbursed employees who are not now allowed a deduction for moving expenses. The deduction would place these employees in a position comparable to transferred employees who are reimbursed by their employer for moving expenses. Under present law, the latter do not have to include the reimbursement in income. This provision would reduce liabilities by $60 million a year.

The present 1-percent floor under the deduction for the expense of medicines and drugs in the case of taxpayers aged 65 or over would be eliminated, saving these taxpayers $10 million a year.

The bill would allow charitable deductions by individuals of up to 10 percent of adjusted gross income beyond the presently existing limit of 20 percent of adjusted gross income in the case of donations to nonprofit organizations which are publicly supported. At the present time, only contributions to churches, educational institutions, and medical research facilities qualify for the supplemental deduction limit. The carryforward of unused deductions for charitable contributions by corporations would be extended from two to five years. At the same time, the bill would deny a current charitable deduction for the gift of a future interest in tangible personal property if a life estate is reserved for other than the life of the donor or his spouse. The revenue effect of these changes would be nominal.

Other structural provisions in the bill would raise $1.085 billion in revenue to offset part of the revenue-reducing features of the bill.

Itemized deductions by individuals for State and local taxes would be limited to income taxes, property taxes, and general sales and use taxes. The bill would disallow the deduction of excise taxes on tobacco products, alcoholic beverages, and gasoline, license fees and operators' permits for motor vehicles, and other miscellaneous taxes. This provision would increase liabilities by $520 million a year.

The 4-percent dividend credit would be reduced to 2 percent in 1964 and repealed in 1965. At the same time, the bill would increase

the present dividend exclusion from $50 to $100 per person. Taken together, these provisions would increase liabilities by $300 million a year.

Application of the sick pay exclusion would be limited to cases in which the individual has been absent from work for more than 30 days, increasing liabilities by $110 million a year. Another provision, with negligible revenue effect, would require individuals to include in income any amount received from accident or health insurance for any injury or illness which exceeded the medical expenses so incurred by the taxpayer.

Individuals would be required to include in their taxable income the cost of group term life insurance coverage in excess of $30,000 provided by their employer. Another provision would disallow a deduction for interest paid on indebtedness used to purchase or carry a life insurance, endowment, or annuity contract pursuant to a plan which contemplates the systematic borrowing of part or all of the increases in the cash value of the contract. The first of these insurance provisions would increase liabilities by $5 million a year; the second, by $10 million.

The deduction for casualty losses of personal property would be limited to the amount of each loss in excess of $100, increasing liabilities by $50 million.

Other structural revisions concern personal holding companies and stock options. The definition of a personal holding company would be revised to make more difficult the use of this device to avoid the imposition of the progressive personal income tax rates on passive investment income and certain personal service income. The change would increase liabilities by $15 million. More stringent provisions are set forth which would have to be met by stock option plans for corporate executives if the difference between the market price at the time of exercise and the option price is not to be treated as ordinary income. This revision would have no noticeable revenue effect, since any income from nonqualifying options which become taxable to executives would become deductible as compensation paid by the employer.

Another provision would require oil and gas industry operators, except in the case of unitization agreements, to maintain separate interests as separate properties for depletion purposes. However, taxpayers would be able to treat separate deposits in a single lease or acquisition as one property or separate properties. This rule would end the practice by large producers of combining widely separated properties merely for the purpose of obtaining the most favorable application of the 50-percent net income limitation on per-

centage depletion. The increase in tax liabilities as a result of this provision would be $40 million.

In the case of affiliated corporations, the bill would impose a 6-percent penalty tax on the first $25,000 of net income of each corporation that did not file a consolidated return so as to retain the use of multiple surtax exemptions. At the same time, the bill would repeal the 2-percent surtax on corporations filing consolidated returns. The stricter treatment of affiliated corporations would increase liabilities by $35 million; repeal of the 2-percent tax on consolidated returns would reduce liabilities by $50 million.

The capital gains provisions in H.R. 8363 would lower from 50 percent to 40 percent the inclusion factor in the case of gains arising from the sale of bona fide capital assets held more than two years by taxpayers other than corporations. The maximum tax rate on gains from such assets would be set at 21 percent instead of the present 25 percent. Present law provisions would continue to apply for assets held between six months and two years, and for certain "statutory" capital gains, such as lump-sum distributions from pension plans and income from timber. This provision by itself would reduce revenues by $230 million a year. Initially, however, it would induce the more rapid turnover of capital assets with accrued appreciation. The result of the more rapid turnover would be a net increase in revenues of $210 million in 1964 and $80 million in 1965. The bill also provides for the unlimited carryover of capital losses by individuals, which would reduce liabilities by $30 million a year.

Capital gains treatment of income arising from depreciable real estate sold within 10 years of acquisition would be limited if such real estate has been depreciated at accelerated rates. This provision is expected to increase liabilities by $15 million. Another provision limiting capital gains treatment, which would not have any appreciable revenue effect, would require that part of the proceeds from the sale of capital assets on an installment basis with no stated interest charge (other than patents, royalties, or exchanges for annuity payments) be treated as interest and taxed as ordinary income.

The bill would permit taxpayers who are 65 years old or over to exclude from taxable income capital gains arising from the first $20,000 of the sale price of their home. It also would extend capital gains treatment to iron ore royalties. The first of these provisions would reduce liabilities by $10 million a year, the second by $5 million.

The Revenue Act of 1963 also includes amendments to the investment credit enacted in 1962. H.R. 8363 would repeal a provision which now requires that the basis of newly-purchased assets be reduced by 7 percent to reflect the investment credit. This provision

would effectively double the profitability effect of the investment credit and remove complications resulting from the required basis reduction. The amendment would reduce tax liabilities by $185 million in 1965. Elevators and escalators would be included in the types of property qualifying for the investment credit. Liabilities would be reduced by $10 million by this change. The bill also contains a statement that it was the intent of the Congress in providing the investment credit in 1962 that Federal agencies regulating public utilities should not, without the taxpayer's consent, require a "pass through" of the 7-percent credit to customers, or, in the case of the 3-percent credit for certain utilities, require a "pass through" over any period shorter than the useful lives of the property involved.

Tax rate extension and user charges

The President's request for the extension of certain tax rates which otherwise would have automatically expired on July 1, 1963, was incorporated in Public Law 88–52, approved June 29, 1963. The law extended for one year the existing corporate income tax rates and the excise tax rates on alcoholic beverages, cigarettes, passenger automobiles, parts and accessories for automobiles, general (local) telephone service, and transportation of persons by air. Extension of the excise tax rates will prevent a revenue loss of $1.7 billion in fiscal 1964.

Although the President's tax message called for a reduction in the corporate income tax, he also asked for the one-year extension of the corporate normal tax rate so that the reduction in corporate rates could be considered in relation to the entire tax program and made effective at the same time as individual rate reductions.

No action was taken on the President's recommendation for a user charge program for airways and waterways.

Treasury officials testified at hearings held by the House Ways and Means Committee on July 10, 1963, on the President's proposal to finance part of a new land and water conservation fund through receipts from taxes of 4 cents per gallon on fuels used in motorboats. Subsequently, the Ways and Means Committee recommended to the House Committee on Interior and Insular Affairs that the receipts from motorboat fuels be allocated to the fund, but that the net tax on such fuels be continued at 2 cents per gallon through retention of the 2 cents per gallon refund for gasoline used in motorboats.

Miscellaneous legislation

Income taxes.—Public Law 88–4, approved April 2, 1963, makes the deduction for expenses for the care of children or disabled dependents available to women who have been deserted by their husbands. A deduction of up to $600 may currently be taken for such expenses when incurred by a woman or widower, without regard to

income, if the child is under twelve or the dependent is physically or mentally handicapped. While the deduction is available to married women, it must be reduced by one dollar for every dollar of total earnings by both husband and wife in excess of $4,500. Because of the income limit, married women cannot claim the deduction unless they file a joint return. The new law treats deserted wives as widows, freeing them from the joint return requirement and the joint income limitation. To qualify, a deserted wife must not know of the whereabouts of her husband (and has not known his whereabouts at any time during the taxable year) and she must have applied to a court for an order compelling him to furnish support.

Public Law 88–9, approved April 10, 1963, provides a deduction for income tax purposes of annual or periodic payments for redeemable ground rent. The law was enacted to restore a position formerly held by the Treasury Department. Under Maryland law, ground rent may be redeemed after five years by paying an amount computed by capitalizing it at a 6-percent rate of interest. Before 1962 the Treasury treated Maryland ground rents as mortgages and permitted home buyers to deduct annual rents as interest payments. Sellers were required to include the redemption value of the ground rent in their sales price, the same as a mortgage. The Treasury position was changed, effective January 1, 1962, following two court cases which appeared to invalidate the position. This law reestablishes the former practice.

Public Law 88–153, approved October 17, 1963, permits employees who have consistently accrued vacation pay for income tax purposes to continue to do so for taxable years ending before January 1, 1965. Prior law limited this privilege to years ending before January 1, 1963.

Social security.—Section 2(a) of Public Law 88–31, approved May 29, 1963, reduced the rate of the Federal unemployment tax for wages paid in the calendar year 1963 from 3.5 percent to 3.35 percent. The rate had been raised in 1961 from the permanent level of 3.1 percent to 3.5 percent for 1962 and 1963. As a result of Public Law 88–31, employer payments to the Federal Government, after credits for State unemployment tax contributions, generally are to be 0.65 percent of taxable wages paid in 1963, instead of the 0.8 percent provided for in the 1961 legislation.

The maximum monthly wage base for purposes of the taxes imposed by the Railroad Retirement Tax Act was raised from $400 to $450 by Public Law 88–133, approved October 5, 1963. The new tax base became effective for compensation paid for services rendered in November 1963.

Public Law 88–173, approved November 7, 1963, revises the formulas for repayment to the Treasury of advances made to the

States for the payment of unemployment compensation pursuant to the Temporary Unemployment Compensation Act of 1958 and advances made prior to September 13, 1960, under title XII of the Social Security Act. Previously if such advances were not repaid by a State within a specified time, the law provided for reduction of the employer's credit against the Federal tax for the State unemployment tax. Each year that advances were not repaid by the State the employer's credit was reduced further. Public Law 88–173 limits the reduction in the credit. Where advances were made before September 13, 1960, under title XII of the Social Security Act, the new law limits the additional tax payable by employers to the Federal Government to 0.15 percent of wages for the years 1963–1967. Thereafter, the regular year-by-year reduction in the credit will apply. In the case of unpaid advances under the Temporary Unemployment Compensation Act of 1958, the additional tax is limited to 0.15 percent of wages for 1963 and 0.30 percent for any succeeding year. Public Law 88–173 further provides that a State can prevent the credit reduction in any year by paying to the Treasury on or before November 10 of the year an amount approximately equal (as determined by a formula specified in the law) to that which employers would have to pay through the credit reduction.

Silver bullion.—Title II of Public Law 88–36, approved June 4, 1963, repealed the tax of 50 percent on profits from transfers of interests in silver bullion. Repeal was effective for transfers made after June 4, 1963. This tax originally was imposed as part of the Silver Purchase Act of 1934. Repeal of this tax, along with substantial other changes in the Government's policy with respect to silver, was recommended by the President in November 1961. The recommendations were renewed in the 1963 Economic Report of the President. (See exhibit 39.)

Administration, interpretation, and clarification of tax laws

During the fiscal year the Treasury Department published 53 Treasury decisions and 43 notices of proposed rulemaking relating to tax matters.

Among the more important Treasury decisions published during the fiscal year was one prescribing rules for the substantiation of business travel and entertainment expenses and another containing the substantive rules on the deduction of travel, entertainment, and gifts as business expenses. Other Treasury decisions concerned the use of taxpayer identification numbers; the limitation on net operating loss carryovers; information with respect to certain foreign corporations; the reporting of dividends, interest, and patronage dividends; the taxation of cooperatives and their patrons; the manufacturers

excise tax on motor vehicles, parts, and accessories; and the credit and refund of certain excise taxes on sales and services.

Notices of proposed rulemaking published during the fiscal year which were still pending at its close included those relating to: Meals and lodging furnished for the convenience of the employer; certain revolving credit sales treated as installment sales; certain aspects of the investment credit; the taxation of mutual fire and casualty insurance companies; certain provisions with respect to controlled foreign corporations; the treatment of earned income from sources without the United States; and the qualification of pension and profit-sharing plans and bond-purchase plans under the Self-Employed Individuals Tax Retirement Act of 1962 and the deduction of contributions and the taxation of distributions under these plans.

Federal-State tax relations

A new program was developed for payroll deductions for certain State income taxes from salaries of Federal employees. This program supplements the program of withholding State and District of Columbia income taxes on salaries of Federal employees which has been in effect since 1952.

Under the withholding program, Federal agencies follow the general practice of private employers and withhold State income taxes on salaries of Federal employees at the place of employment only. However, many employees live in one jurisdiction and work in another, and under reciprocity agreements some States do not require withholding on nonresidents. Also, employees who reside in an income tax State and work in a nonincome tax State have no State income tax withheld.

The new program was made possible by a decision of the Comptroller General on June 4, 1963, that the Civil Service Commission could by regulation authorize Federal agencies to institute a voluntary payroll deduction plan. Under this plan a Federal employee who lives in one State and works in another may make allotments for payment of his State income tax to his State of residence. The Civil Service Commission issued such regulations on September 19, 1963, and on the same date the Treasury Department issued regulations setting forth the procedures to be followed in handling the deductions. Before the end of 1963 many Federal agencies had instituted this payroll deduction plan. This new program will be of great assistance to the States in the administration of their tax laws. In addition, it will help employees to meet their responsibilities and simplify their tax compliance problems.

International tax matters

The President's special message to the Congress on July 18, 1963, on the balance of payments included a proposal for a temporary "interest equalization tax." The tax was intended to help reduce the outflow of long-term capital in the form of portfolio investments by increasing by approximately one percentage point the interest cost of capital acquired in this country by foreigners. Hearings on the proposal were held by the House Committee on Ways and Means in August and Secretary Dillon testified on August 20 in its support (see exhibit 21). On December 16, 1963, the committee reported out H.R. 8000, the Interest Equalization Tax Act of 1963. The bill incorporates the substance of the President's recommendations.

Under the terms of the bill, the interest equalization tax would be effective for the period July 19, 1963 (August 17, for listed securities) through December 31, 1965. The tax would apply to the acquisition by a U.S. person of a debt obligation of a foreign obligor, or stock of a foreign issuer, which is acquired from a foreign person. The tax on the transfer of stock would be 15 percent of the actual value of the stock at the time of the transfer. The tax on the transfer of debt obligations would vary from 15 percent on obligations with a maturity of 28½ years or more down to 2.75 percent for those with a maturity of 3 to 3½ years. For debt obligations with a shorter maturity, no tax would be imposed. These tax rates are designed to approximate the effect of an increase of one percentage point in the interest cost to foreigners of obtaining capital in this country.

The principal exclusions in the bill relate to: Securities acquired from a prior American owner; securities received in a wide range of export transactions; debt obligations received by commercial banks in the course of their commercial banking business; direct investments in 10-percent-owned corporations; securities of "less-developed-country corporations" and obligations of less-developed countries; new security issues which the President exempts in the interest of international monetary stability, presumably new Canadian securities; reserves maintained by insurance companies doing business in foreign countries; and investments of foreign membership dues by labor unions and other exempt organizations.

It is expected that the bill may improve our balance-of-payments position by $1.3 billion to $1.5 billion a year relative to the situation in the first half of the calendar year 1963. While not designed as a revenue measure, the tax might bring in $20 million to $30 million annually.

The President recommended in his message of April 2, 1963, on foreign assistance that a tax credit be granted, for a trial period, for

investments in developing countries. No action was taken on this proposal.

Treasury discussions were conducted with a number of countries during 1963 for the purpose of negotiating new tax treaties or amending existing treaties. A tax treaty with Luxembourg was signed as well as an agreement to modify the treaty with the Netherlands as it applies to the Netherlands Antilles. These are now pending in the Foreign Relations Committee of the Senate. The Netherlands agreement provides for the gradual increase in U.S. withholding rates on income payments to nonresident-owned investment companies in the Netherlands Antilles. This provision is designed to eliminate abuse of the treaty created by the low rates of tax imposed in the Netherlands Antilles on U.S. source income. Negotiations for the modification of the Swedish income tax treaty were completed and the treaty is awaiting signature. Discussions with Germany were continued during the year in an effort to revise the German income tax treaty. Final agreement has not yet been reached on certain issues relating to dividend withholding.

The Fiscal Committee of the Organization for Economic Cooperation and Development (OECD), on which the United States is represented by Treasury officials, completed its preparation of a model income tax convention and drafted a report on the convention to the Council of the Organization. It is hoped that this model convention will serve as a basis for future treaty negotiations or revisions.

International Financial Affairs

The U.S. balance of payments and gold and dollar movements

The U.S. balance of payments.—After substantial reductions in 1961 and 1962 from the 1958–60 levels, the overall U.S. balance-of-payments deficit rose sharply in the first half of the calendar year 1963. This rise came despite sizeable sales of nonmarketable U.S. Government medium-term securities issued to provide an investment outlet for some of the accumulations of dollar reserves by foreign monetary authorities. Including receipts from the sales of these securities, the deficit in the first six months of 1963 was running at a seasonally adjusted annual rate of $3.2 billion; excluding such receipts, the rate of deficit was $4.2 billion, seasonally adjusted. These rates of deficit compared with an annual average of $3.7 billion in the calendar years 1958–60 and deficits of $2.4 billion in 1961 and $2.2 billion in 1962.

In recent years, these overall deficits have been reduced in important part as a result of various special Government receipts consisting of prepayments of debt by foreign governments to the U.S. Government, advance cash payments by foreign governments against future

U.S. military exports, and proceeds from sales of nonmarketable U.S. Government securities to foreign official institutions. Excluding these special receipts, the deficits on "regular" transactions amounted to $3.9 billion in the calendar year 1960, $3.0 billion in 1961, and $3.6 billion in 1962. In the first half of 1963 this deficit on regular transactions was running at an annual rate of $4.5 billion, a worsening of about $900 million from the rate for the full calendar year 1962.

This increase in our deficit in the first half of 1963 reflected the rise in recorded private U.S. capital outflows to an annual rate more than $2 billion higher than in 1962. New issues alone accounted for an $850 million higher rate of outflow. The rate of direct investment outflows rose by about $400 million. Recorded short-term outflows were more than double the 1962 rate, rising by an annual rate of nearly $700 million. Other categories of private capital outflow also rose, led by transactions in outstanding securities.

In view of these developments, a thorough and comprehensive review of our whole payments position was undertaken within the U.S. Government by the Cabinet Committee on the Balance of Payments under the chairmanship of the Secretary of the Treasury. This review resulted in President Kennedy's second major message on the balance of payments which was presented to Congress on July 18, 1963. The message sets forth a series of measures to reinforce the long-term effort to strengthen the payments position as well as a number of actions designed to produce a more immediate impact. In addition to outlining the basic programs for intensification of efforts in such key fields as merchandise exports and tourism, and in promoting foreign investment in U.S. private companies, the President indicated that $2 billion in annual savings were to be made by further reducing the impact on our balance of payments of U.S. Government defense and economic assistance expenditures, and by measures to reduce excessive outflows of private capital from the United States. He noted that measures would be put into effect before the end of 1964 to reduce military expenditures abroad by more than $300 million from the 1962 level. Reductions in programs for the acquisition of strategic materials from abroad are expected to save, within two years, $200 million from the 1962 level.

AID expenditures entering our balance of payments are to be reduced to not over $500 million in the fiscal year 1965, a cut of about $500 million from fiscal 1961. In fiscal 1963 fully 80 percent of AID commitments were tied to U.S. exports of goods and services, and this figure is expected to rise even further in fiscal 1964. Reviews and revisions of the programs of other departments and agencies are expected to save about $100 million a year from the 1962 rate.

Since the deterioration during the early part of 1963 was in the

capital accounts, the President's program also directed particular attention to this section on the balance of payments. In order to have a decisive and quick impact on capital flows, an interest equalization tax was proposed calling for a temporary excise tax on acquisitions from foreigners of both new and outstanding foreign securities—both debt and equity—maturing in three or more years. (See also Taxation Developments and exhibit 21.) Together with the increase in the discount rate announced by the Federal Reserve System, an improvement of about $1 billion was foreseen by the President through the resultant effect on capital flows. The President also announced that the United States had entered into a standby arrangement with the International Monetary Fund, as discussed in a subsequent section on the operations of the Fund. (See also exhibit 32.)

The balance-of-payments accounts showed marked improvement in the third quarter of calendar 1963. This was in sharp contrast with the poor showing in the previous quarter and, on the basis of preliminary data, appears to have been the best quarterly performance on regular transactions since the Suez crisis year of 1957, the only year of surplus in the last fourteen. The overall payments deficit fell on a seasonally adjusted basis from an annual rate of $3.2 billion in the first half of 1963 (including receipts from the sales of nonmarketable, convertible, medium-term U.S. Government securities) to an annual rate of about $300 million in the third quarter. Excluding such receipts, the deficit improved from a rate of $4.2 billion in the first half to a rate of about $1 billion in the third quarter of 1963. If all special Government receipts are omitted, the deficit declined from an annual rate of $4.5 billion in the first half of 1963 to a rate of about $1.6 billion in the third quarter. Early reports indicate that the improvement resulted primarily from the drop in net capital outflows. New foreign security issues in the U.S. capital market were sharply curtailed by the announcement of the interest equalization tax proposal. The rise in our short-term interest rates in July is also believed to have had the effect of greatly reducing outward movements of short-term funds.

U.S. gold losses during the first three quarters of the calendar year were reduced to $422 million, compared with $1.7 billion in 1960, $857 million in 1961, and $890 million in 1962. On June 30, 1963, U.S. gold holdings stood at $15.8 billion, and the Treasury and Federal Reserve System held the equivalent of $126 million in foreign convertible currencies; on December 31, 1963, at $15.6 billion in gold and $212 million in foreign currencies.

Gold and dollar movements.—The gold and dollar holdings of foreign countries (excluding gold held by the USSR, other Eastern European

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countries, and China Mainland) amounted to an estimated $46.0 billion as of June 30, 1963, having increased $2.7 billion during fiscal 1963 (see table 97). Of the total, official gold holdings were $23.6 billion, official and private short-term dollar assets held with banks in the United States were $21.0 billion, and estimated official and private holdings of U.S. Government bonds and notes amounted to $1.4 billion.

Western European countries during fiscal 1963 increased their gold and dollar assets by $816 million, which was substantially less than the gain of $3.2 billion by these countries during fiscal 1962. French holdings rose by $868 million; United Kingdom holdings declined by $670 million; most other European countries increased their reserves. In contrast to its loss of $209 million during fiscal 1962, Canada increased its gold and dollar assets by $754 million. Latin American holdings rose by $154 million. The total gain by Asiatic countries was $595 million, of which $403 million was by Japan. In Africa, the area increase of $166 million reflected a rise of $165 million in the holdings of South Africa. All other countries gained $166 million. International and regional organizations increased their gold and dollar holdings by $370 million.

The estimated official gold holdings of the world (excluding the USSR, other Eastern European countries, and China Mainland) were $41.7 billion on June 30, 1963. Of this total, the United States held $15.8 billion and international and regional institutions $2.3 billion.

Treasury foreign exchange reporting system.—Data relating to capital movements between the United States and foreign countries have been collected by the Treasury Department since 1935. The data are obtained from monthly reports by banks and brokers and quarterly reports by nonfinancial concerns to the Treasury Department through the Federal Reserve Banks. The reports provide information on liabilities to foreigners, claims on foreigners, and securities transactions with foreigners, and constitute the basis for statistics on the dollar holdings of foreign countries and international institutions and for other statistics on capital movements apart from direct investments, which enter into the U.S. balance of payments.

The broad program initiated several years ago to ensure the adequacy of the Treasury statistics for analysis and policy formulation was continued during fiscal 1963. A new monthly report from nonbanking concerns on their liquid assets abroad was introduced in August 1962. The major step taken during the year was the completion of a comprehensive revision of the report forms filed by banks and brokers. The first monthly reports under the revised requirements covered data as of May 31, 1963. The changes introduced provide

separate data on types of short-term liabilities and claims which might be expected to be relatively responsive to interest rates and monetary conditions, details on long-term banking claims, data on transactions in U.S. Government bonds and notes by foreign official institutions, and information on the structure of U.S. liabilities to and claims on foreigners. Data based on the revised forms were published for the first time in the July 1963 issue of the monthly *Treasury Bulletin.*

Treasury exchange and stabilization agreements

During the year ending June 30, 1963, Treasury exchange agreements were in effect with six countries, Argentina, Brazil, Chile, Costa Rica, Mexico, and the Philippine Republic. The one-year exchange agreement with Costa Rica in the amount of $6 million expired on September 5, 1962. A six-month exchange agreement with the Philippine Republic in the amount of $25 million, which was renewed for three months on January 1, 1963 (see exhibit 33), expired at the end of March.

Net drawings by Brazil during the year, under the two-year Treasury exchange agreement which expired on May 15, 1963, amounted to $7.7 million.

The Treasury exchange agreement with Argentina for $50 million, originally due to expire on June 6, 1963, was extended for four months, until October 6, 1963. This action made available to Argentina $25 million not previously drawn as part of the loans and other financial assistance provided by the Government of the United States to the Government of Argentina in conjunction with a standby arrangement for $100 million concluded with the International Monetary Fund. At the end of fiscal 1963 Argentina had drawn $40 million against the Treasury exchange agreement.

The two-year exchange agreement with Mexico for $75 million was signed on January 1, 1962. No drawings had been made by the Government of Mexico against this credit at the end of fiscal 1963.

The one-year $10 million exchange agreement entered into with the Government of Chile by the Treasury Department on January 31, 1963, was one of three U.S. Government arrangements totaling $60 million which were concluded to support continued fiscal and monetary stability in Chile. The U.S. Agency for International Development arranged a loan of $35 million and the Export-Import Bank approved a loan of $15 million. The U.S. credits supplemented an International Monetary Fund standby arrangement made in January 1963 in the amount of $40 million.

Foreign exchange operations

Official operations in foreign exchange by the Treasury and the Federal Reserve System were conducted in nearly every major cur-

rency during the fiscal year 1963. In some instances operations stemmed from a need to protect the dollar from the adverse effects of special situations, such as the Cuban crisis. Other operations were designed to offset temporary movements and to prevent short-run influences from becoming magnified in market fluctuations wider than warranted by underlying financial and economic conditions. The overriding influence on the exchange markets was the continuing deficit in the U.S. balance of payments which caused dollar quotations to remain below par in relation to most convertible currencies.

Cooperation with foreign monetary authorities was further developed and extended during the year. Establishment of a broader base for diversified and flexible operations consistent with and in support of President Kennedy's comprehensive program for correcting the U.S. balance-of-payments deficit and for restraining the outflow of gold contributed to the further strengthening of the international payments system.

In October 1962 the Treasury began to issue a special series of nonmarketable, medium-term bonds to foreign monetary authorities denominated in their own currencies. These new instruments serve a variety of purposes in connection with foreign exchange operations and provide an additional outlet for the investment of foreign reserve funds as an alternative to gold purchases. As of July 1, 1963, a total of $630 million equivalent of these securities was outstanding carrying maturities of 15 to 24 months. Interest rates ranged from 2.75 percent to 3.30 percent per annum and were at or below rates at the the time of issuance on domestic securities of comparable maturity. The bonds were denominated in five currencies: Austrian schillings ($25 million equivalent), Belgian francs ($30 million), German marks ($200 million), Italian lire ($200 million), and Swiss francs ($175 million). All were issued to central banks except for $128 million equivalent of Swiss franc bonds issued to the Swiss Confederation. The proceeds of the Swiss franc bonds and of $150 million of the lira bonds were used by the Treasury to reduce outstanding short-term commitments in those currencies. The proceeds of the remaining lira bonds and of those denominated in Austrian schillings, Belgian francs, and German marks were used to acquire dollars from the respective central banks, thereby reducing their potential gold purchases.

The Federal Reserve increased the number of the swap agreements maintained with foreign central banks from five to eleven during the year, and the total amount of foreign currencies which might be drawn by the Federal Reserve at any one time was increased from $450 million to $1,550 million as of June 30, 1963. The largest agreement, $500 million, was with the Bank of England. Other agreements were in effect with the Bank of Canada, the Bank of Italy, the German

Federal Bank, the Bank of France, the Swiss National Bank, the Bank for International Settlements, the Netherlands Bank, the National Bank of Belgium, the Austrian National Bank, and the Bank of Sweden. During the year, drawings were made and utilized by one or both parties under all agreements except those with the Bank of France and the Bank of Sweden. The most frequent use has been made of the agreement with the National Bank of Belgium. This agreement, of $50 million, has been fully drawn since its inception in June 1962 and the frequent use by both parties of portions of the balances drawn has helped absorb temporary surpluses of dollar holdings of the National Bank and provide that Bank with additional dollar resources when needed.

Toward the close of fiscal 1962 speculative capital movements and exchange market nervousness resulting from the New York and foreign stock market declines and the devaluation of the Canadian dollar were effectively countered by cooperative action. Exchange operations by the Treasury and Federal Reserve played a significant part in hastening the restoration of confidence, by methods which conserved the U.S. gold stock and diminished the effects of the speculative forces. The Canadian financial crisis had been effectively broken by the announcement by the Canadian Government of the imposition of a series of fiscal and monetary measures and the provision of massive international support for the Canadian dollar, including a newly-agreed $250 million swap arrangement with the Federal Reserve, Export-Import Bank standby credits of $400 million, credits of $100 million by the Bank of England, and drawings of $300 million in European currencies from the International Monetary Fund. To assist in further stabilizing the Canadian-U.S. dollar rate, the Treasury purchased small amounts of Canadian dollars in the New York market.

Speculative capital flight to Switzerland, and to a lesser extent to the Netherlands, swelled the reserve positions of the respective central banks and weakened the U.S. dollar in the exchange markets both for spot and forward delivery. During mid-June and July the Federal Reserve and the Treasury, using the proceeds of swap arrangements, absorbed about $65 million of the reserves of the Netherlands Bank and the Treasury resumed the sale of forward guilders, providing exchange cover for dollars held by Netherlands commercial banks, thereby reducing the amount of dollars offered in the market. Similar but more extensive operations were undertaken in Swiss francs. In July the Federal Reserve concluded a $100 million swap arrangement with the Swiss National Bank and a similar arrangement with the Bank for International Settlements; $110 million worth of Swiss francs were drawn under these agreements and equivalent amounts of dollars purchased from the Swiss National Bank. The

Treasury increased its sale of forward Swiss francs by about $50 million to a total of $139 million outstanding by early August. Small operations were also carried out in German marks.

The exchange market situation eased appreciably in August 1962, following President Kennedy's emphatic statement during his Telstar-television press conference on July 23 that the dollar would not be devalued. Tensions in Berlin on the first anniversary of the Wall caused some weakness in the German mark, and the Treasury and Federal Reserve purchased Deutsch Mark in the market, thereby rebuilding balances in that currency. The Federal Reserve and Treasury swaps with the Netherlands Bank were fully reversed and the Treasury's forward guilder commitments were liquidated. Some progress was also made in reducing Swiss franc commitments. In October capital flight to Switzerland resumed because of the Cuban crisis, but speculative pressure on the dollar was of short duration and largely offset by relatively small sales of Swiss francs in the spot market by the Federal Reserve and by additional forward Swiss franc sales by the Treasury. The announcement during this period of the acquisition of Swiss francs by the Treasury through the issuance of the first 15-month bond and of shorter-term certificates denominated in Swiss francs also helped to stabilize the market.

Large amounts of dollars continued to be gained by the central banks of Italy, France, and Austria during 1962. During the summer the Treasury absorbed the bulk of the gains of the Bank of Italy by utilizing the proceeds of 3-month certificates of indebtedness issued under a $150 million equivalent lira credit line and the Italian Government made an advance payment of $178 million against outstanding indebtedness to the United States. The Treasury's short-term lira obligations were funded in October through the issuance of 15-month bonds denominated in lire and an additional $50 million equivalent lira bond was issued in November. The dollar accruals of the Bank of France were reduced by debt prepayments by the French Government to the United States totaling about $470 million during the course of the calendar year 1962. The Austrian reserve gain was temporarily reduced by $50 million through utilization by the Federal Reserve of its swap agreement with the Austrian National Bank, but as the Austrian balance of payments continued in surplus the swap was reversed after the beginning of the year. In April 1963, however, a further growth in Austria's dollar holdings was restrained through the sale of an 18-month Treasury bond denominated in schillings. Yearend positioning by commercial banks in Germany, Italy, and Switzerland led to some repatriation of funds, a consequent weakening of the dollar in terms of those currencies, and further dollar gains by the respective central banks. Relatively

small operations by the Treasury and Federal Reserve offset the effects of the capital flow, which shortly after the beginning of the year was reversed.

The position of sterling in the exchange markets was sharply affected in January 1963 by the rejection of the United Kingdom's bid for membership in the Common Market. Major support for sterling during this period, totaling $250 million, was provided by five European central banks, to offset the pressure which appeared to emanate from the Continent. The Federal Reserve and the Treasury purchased small amounts of sterling to stabilize the rate in New York and the Bank of England utilized $25 million under the swap agreement with the Federal Reserve. In May the Federal Reserve swap agreement with the Bank of England was increased to $500 million, although no additional drawing was made. Confidence in sterling was restored, and the Bank of England subsequently repaid all of the special financing it had obtained.

During the remainder of the fiscal year, operations consisted primarily of spot sales of German marks and Netherlands guilders. The German balance-of-payments position improved, the money market tightened, and funds were repatriated by commercial banks. To moderate the effects of the short-term capital flow to Germany on the dollar exchange rate and to reduce accruals to the reserves of the Bundesbank, the Treasury and Federal Reserve commenced spot sales of German marks in April 1963. Most sales were by the Federal Reserve, which drew the full $150 million equivalent of marks under its swap arrangement with the Bundesbank. In July and August the Treasury issued an additional $75 million worth of mark-denominated bonds, some of the proceeds of which were sold to the Federal Reserve for use in reducing its swap drawing. Operations in Netherlands guilders during this period, while smaller in magnitude, were caused by similar factors. The guilder strengthened against the dollar to its upper intervention point, and to absorb dollar accruals the Federal Reserve drew the full $50 million of guilders under its swap agreement with that Bank. The flow of funds was shortly reversed and the Federal Reserve restored its guilder position and liquidated its swap drawing.

The International Monetary Fund

Drawings in various currencies from the Fund by 18 nonindustrial member countries totaled the equivalent of $297 million in fiscal 1963. U.S. dollar drawings ($212 million) accounted for over 70 percent of the total. In contrast to the large drawings by the United Kingdom ($1.5 billion), Canada ($300 million), and India ($250 million) in fiscal 1962, drawings in the current fiscal year ranged from $60 million by Brazil to $500,000 by Haiti. As in most recent

periods, a number of the drawings were made under standby arrangements which were negotiated in advance with the Fund and under which drawings up to specified amounts and within an agreed period may be made without reconsideration of the member's position at the actual time of drawing. Of the 18 countries which received financial assistance from the Fund in fiscal 1963, either through direct purchase transactions or under standby arrangements, 11 were in Latin America (Argentina, Bolivia, Brazil, Chile, Colombia, Costa Rica, Ecuador, Haiti, Honduras, Nicaragua, and Uruguay), 4 were in Asia (Afghanistan, India, Syria, and the United Arab Republic), 2 in Africa (Ghana and Liberia), and 1 in Europe (Turkey).

Among the larger drawings, the $60 million drawing by Brazil in June was the first authorized under the Fund decision of March 1963, which is designed to provide additional balance-of-payments support to member countries, particularly those exporting primary products, which experience temporary declines in their export earnings due to circumstances largely beyond their control. Drawings of $39 million by Colombia, $30 million by Argentina, and of $25 million each by Chile and India were associated with measures to improve their foreign payments position while continuing to promote economic growth.

Currency repayments by 22 member countries totaled the equivalent of $814 million. Over 65 percent of this total was accounted for by the repurchase of $531 million equivalent by the United Kingdom in final repayment of its drawing of $1.5 billion in August and September 1961, the largest ever granted by the Fund. This repurchase assisted significantly in maintaining the revolving character of the Fund's resources. Thirteen countries in Latin America also repurchased the equivalent of approximately $200 million of their currencies held by the Fund, in addition to repurchases of $49 million by 4 countries in Asia, $31 million by 3 countries in Europe, and a repurchase of $2.9 million by the Sudan.

In fiscal 1963 the Fund entered into standby arrangements with 15 member countries in the total equivalent of $1.4 billion, including the $1 billion standby with the United Kingdom approved by the Fund in August 1962. As of June 30, 1963, under these arrangements $1.3 billion was available to 16 countries.

The special borrowing arrangements between the Fund and ten leading industrial countries, referred to in the 1962 annual report, (pp. 85–86) became effective in October 1962, when the United States announced its formal adherence with a commitment of up to $2 billion.[1] U.S. participation in the arrangements was authorized

[1] The U.S. announcement brought to eight the number of countries announcing adherence, and to $5.65 billion the total of commitments involved. France, Germany, Italy, Japan, the Netherlands, Sweden, and the United Kingdom had previously made commitments.

in June 1962 by Public Law 87–490 (22 U.S.C. 286e–2) and appropriation of the funds was approved by the Congress in October 1962, under Public Law 87–872. The arrangements were embodied in the Fund decision of January 1962, which set forth the terms and conditions under which these countries would lend the equivalent of $6 billion of their currencies to the Fund when such additional resources are needed to forestall or cope with an impairment of the international monetary system.

In January 1963 Belgium deposited its instrument of adherence, thereby increasing the number of participating countries to nine, with aggregate commitments of $5.8 billion. The remaining country, Canada, has introduced the necessary legislation in Parliament but as of June 30, 1963, had not yet notified the Fund of its adherence. Canada's participation would increase total commitments to the equivalent of $6 billion.[1]

The Government of Switzerland (not a member of the Fund) has submitted to its Federal Parliament for approval a framework agreement with the Fund under which it would be associated with currency support operations of the Fund in an amount up to the equivalent of $200 million.

In view of the new situation presented by the increasing number of currencies usable in Fund transactions, the Fund Executive Directors in July 1962 approved a statement indicating the main considerations to be followed in the selection of currencies for drawings and repurchases. With respect to the selection of currencies for a particular drawing or for drawings in general, account is taken of the balance-of-payments and reserve positions of the countries whose currencies are considered for drawings, as well as the Fund's holdings of these currencies. In the case of repurchases, members are required to consult the Managing Director of the Fund on the convertible currencies to be used in repurchase transactions. The Fund will accept any currency which is formally convertible under Article VIII and of which the Fund's holdings are below 75 percent of the quota.

In July 1963 the United States entered into a standby arrangement with the Fund in the amount of $500 million. Since the Fund's holdings of U.S. dollars were close to 75 percent of quota, other countries making repayments to the Fund would have been required to use gold or convertible currencies other than the dollar. To facilitate repayment by countries wishing to use part of the dollar holdings to make repurchases, the United States will sell to them, against payment in dollars, currencies drawn by us from the Fund. The net result of the transaction will be to leave unchanged the Fund's holdings of the currency drawn. The dollars paid will be effectually

[1] On January 21, 1964, Canada notified the Fund of its adherence to the special borrowing arrangements.

withdrawn from the exchange market and will so reduce the potential demand for conversion of dollars into gold.

The second annual consultation between the Fund and the United States was held in May 1963, in accordance with arrangements under which members of the Fund which have accepted the convertibility obligations of Article VIII of the Fund's Articles of Agreement consult with the Fund on a voluntary basis.

Programs for financing economic development

The International Bank.—During fiscal 1963 the International Bank (IBRD) authorized 28 loans for the equivalent of $449 million for the financing of development projects in 19 countries, down from the previous year's peak of $882 million. In this fiscal year transportation loans accounted for nearly half the loans authorized ($190 million); electric power loans accounted for $124 million; industrial loans, primarily to industrial development banks, totaled $110 million; and $24 million was made available for agricultural assistance in the forms of four loans to finance irrigation projects.

Disbursement of loan funds in the fiscal year reached $620 million, the highest figure yet recorded. The Bank continued its practice of marketing maturities of Bank loans without its guaranty; sales during the year totaled $273 million, and the cumulative figure of sales stood at $1,605 million, all except $69 million without the Bank's guarantee. During the fiscal year the Bank borrowed $124 million and repaid $126 million, resulting in a net reduction of the outstanding funded debt of $2 million. The major part of the debt transactions was represented by the refunding outside the United States of a $100 million U.S. dollar debt, sinking fund redemptions, and the maturity of a small Swiss franc issue which more than offset a $10 million U.S. dollar issue sold in Austria, and a $11 million Netherlands guilder issue plus delivery of $3 million of U.S. dollar bonds sold in previous years.

Since it began operations, the International Bank has extended loans totaling $7.0 billion, excluding cancellations, terminations, and refundings; of this amount $5.4 billion had been disbursed by June 30, 1963. Total principal repayments amounted to $1,319 million, of which $655 million consisted of direct repayment to the Bank, and $664 million of sales of borrowers' obligations sold by the Bank. The Bank's total reserves on June 30, 1963, stood at $813 million, comprising the Supplemental Reserve of $558 million and the Special Reserve of $255 million. Ten new members joined the IBRD during fiscal 1963 raising total membership to 85 with capital subscriptions totaling $20.7 billion.

Through a variety of means during the year, the International

Bank continued its activities to promote international coordination of financial assistance to developing nations. The Bank has acted as a leader in the formation of consultative groups of governments interested in assistance to a particular developing country. During fiscal 1963 such groups for Colombia, Nigeria, and Tunisia met under the chairmanship of the IBRD, to hear proposals under the development plans of the respective countries. The consortia for aid to Pakistan and to India have continued to meet to examine and comment on the development plans of the two countries and to make additional financial commitments for the current requirement of each nation under their respective plan. Various studies, education programs, technical assistance, and advisory services continue to be made available by the IBRD to its members.

The International Development Association.—The International Development Association (IDA) was established in September 1960, as an affiliate of the International Bank, to provide financing for economic growth in the less-developed areas of the world on credit terms that take account of the heavy debt service burden of the borrowing countries. By June 30, 1963, the IDA had made commitments of $495 million for development credits, and had disbursed $68 million. During the past fiscal year seventeen credits equivalent to $260 million were approved to finance projects in nine countries. The resources of IDA are being contributed by the member governments in five annual installments. On June 30, 1963, IDA had 76 members—16 Part I members (economically advanced) and 60 Part II members—with total subscriptions equivalent to $969 million. Total subscriptions of usable hard currency are $775 million, including a special supplementary contribution of $10 million by Sweden. The initial U.S. subscription was $320.3 million; two installments of $61.7 million remain to be paid in November 1963 and November 1964. On June 30, 1963, only about $280 million of hard currency remained available for commitment. This amount was further reduced by aid commitments for fiscal 1964 to the consortia on aid to India and Pakistan of $87 million. Consequently, only $193 million of freely usable currencies were available for investment by IDA.

At the Annual Meeting of the Board of Governors of IDA held in Washington in September 1962, the Executive Directors of IDA were asked to consider the prospective financial requirements of the Association and prepare a report on the matter. The Executive Directors held preliminary discussions during the fall of 1962, and

bilateral conversations and negotiations on the broad outlines of a feasible proposal continued during the remainder of the fiscal year.[1]

The International Finance Corporation.—The International Finance Corporation (IFC) is an affiliate of the International Bank designed to encourage the growth of private enterprise in less-developed countries by investing in debt and equity issues of the private sector without governmental guaranty of repayment. During fiscal 1963 the IFC made eleven commitments equal to $18.0 million in ten countries, including two standby commitments amounting to $5.1 million.

Seven of the commitments, the equivalent of $4.4 million, involved participation in purchases of equity capital issued by industrial concerns and industrial development finance companies. The IFC has been permitted to make equity investments since September 1961 when an amendment to its charter to that effect was approved by the Board of Governors. Total commitments reached $83 million by June 30, 1963; $61 million had been disbursed and $16 million of IFC investments had been sold.

On April 25, 1963, the Executive Directors recommended to the Board of Governors that the authorized capital of the IFC be increased from $100 million to $110 million, in accordance with a provision in the Corporation's Articles permitting an increase, to a maximum of $10 million, in the authorized capital stock to allow for subscriptions of new members. Secretary Dillon, as U.S. Governor, voted in favor of the proposal, which became effective September 5, 1963. Authority for U.S. assent to the increase is found in Section 5 of the International Finance Corporation Act (Public Law 350, 84th Congress) (22 U.S.C. 282c). The United States would not subscribe for any part of the increase.

Inter-American Development Bank.—The Inter-American Development Bank (IDB) of which the United States is a member was established to further economic development in Latin America. Loans are made for a wide variety of purposes to governments, industry, agriculture, and other areas of the private sector. With the exception of Cuba all the Latin American nations are members of the IDB. The Bank has total resources of $959 million, consisting of $813 million ordinary capital and $146 million in the Fund for Special Operations. As a result of an agreement signed with the United States on June 19,

[1] In a report submitted on Sept. 9, 1963, the Executive Directors concluded that freely available currencies in IDA's initial resources would only support new commitments for a short period and that it was desirable to provide IDA with new resources in order to permit its continued operation. The Executive Directors, therefore, recommended to the Board that $750 million in freely usable currencies be subscribed by Part I countries (Kuwait would not be a participant in the new arrangement), but Belgium and Luxembourg, which had not previously become members of IDA, would join and take part in the increase. Payment would be in three annual installments of $250 million each year beginning in November 1965. The U.S. subscription would be $312 million, payable at the rate of $104 million per year. The National Advisory Council in a Special Report submitted in September 1963, strongly recommended that the Congress authorize U.S. participation in this expansion of IDA's resources.

1961, the IDB was entrusted with the administration of the Social Progress Trust Fund, comprising $394 million of the funds appropriated by the Congress on May 27, 1961, for the Inter-American Social and Economic Cooperation Program (Public Law 87–41). The Trust Fund Agreement enables the IDB to provide loans and technical assistance for social development programs under terms and conditions of repayment which are best suited to each country. From the time it began operations in October 1960 until June 30, 1963, the IDB had authorized a total of $295 million for loans from its ordinary capital, all repayable in the currency lent, $117 million from the Fund for Special Operations, and $348 million from the Social Progress Trust Fund. Total disbursements from all three sources were $122 million by June 30, 1963.

At the third Annual Meeting of the Board of Governors of the IDB held in April 1962, the Governors requested that the Executive Directors consider the question of enlarging the Bank's resources. In April 1963 the Executive Directors of the IDB made the following recommendations to the Board of Governors: (a) that the ordinary capital resources of the Bank be increased by $1 billion to be subscribed in the same proportion in which original subscriptions were made; (b) that each member's quota in the Fund for Special Operations be increased 50 percent; and (c) that a further increase of $300 million of capital stock be authorized to provide for admission of new members. The U.S. subscription to the ordinary capital stock would be 41 percent of the total, or $412 million, and would be payable in two installments by December 31, 1964, and December 31, 1965. The U.S. payment to the Fund for Special Operations, representing 68 percent of the total quota, would be $50 million. This payment would be due within 90 days after approval of these recommendations by Governors representing three-fourths of the voting power of IDB members. [1]

The Export-Import Bank.—In the fiscal year ended June 30, 1963, the Export-Import Bank authorized approximately $1.5 billion in loans, guaranties, and export credit insurance. Development project credits totaled $525 million, and emergency foreign trade loans $35 million. The Bank also extended exporter credits and guaranties amounting to $339 million, and committed $575 million through the Foreign Credit Insurance Association (FCIA).

As indicated in the 1962 annual report (page 91), three significant programs were initiated in fiscal 1962 in furtherance of the Bank's function of assisting U.S. foreign trade as well as to place U.S. exporters on a basis of full equality with their competitors in other

[1] In May 1963 the National Advisory Council sent to the President and the Congress its own report on the subject, strongly recommending legislation to permit the United States to join in the proposed increases (see House Document No. 153, 88th Congress, 1st session).

countries. These were the formation of the FCIA, an unincorporated group of over 70 major American marine, casualty, and property insurance companies set up to provide export credit insurance for U.S. exporters; a system of guaranties on export transactions for commercial banks; and sales of the Bank's portfolio paper to private banks. The FCIA has been issuing short-term export credit insurance (for transactions on terms up to 180 days) jointly with the Export-Import Bank since February 1962 to cover both commercial credit and political risks.

In July 1962 the Bank announced that U.S. exporters may obtain insurance covering credit and political risks in overseas sales made on terms of 181 days to 5 years, and in January and February 1963, the Bank further modified its export insurance and guaranty programs to include insurance policies on export transactions to cover political risks only, to provide for lower charges on insurance and guaranties and to offer guaranties of payment for services, and on equipment on lease, consignment, or exhibit abroad.

The Export-Import Bank disbursed $499 million during the fiscal year; and export guaranties and insurance totaling $914 million were financed privately. The Bank also sold $250 million of its portfolio paper to private banks. Its earnings from interest and fees were $182 million, and interest paid to the U.S. Treasury on borrowed money was $51 million. A dividend of $50 million was declared on the stock of the Bank held by the Secretary of the Treasury. The Bank's uncommitted lending authority on June 30, 1963, was $1,364 million.

The Agency for International Development.—The Agency for International Development (AID), in the Department of State, succeeded the International Cooperation Administration and the Development Loan Fund on November 4, 1961, in accordance with the Foreign Assistance Act of 1961 (Public Law 87–195) (22 U.S.C. 2381). The responsibilities entrusted to the new Agency included development lending, development grants and technical cooperation, supporting assistance, contributions to international organizations and programs, investment guaranties, and surveys of investment opportunities. AID was also made responsible for administering part of the funds provided under the Inter-American Program for Social Progress (Public Law 86–735) (22 U.S.C. 1943), and for negotiating loans involving U.S.-owned local currencies, including those acquired under sections 104(e) and 104(g) of Public Law 480, as amended. These responsibilities were continued in fiscal 1963, and the Foreign Assistance Act of 1962 (Public Law 87–565) (22 U.S.C. 2211) added a new title for the Alliance for Progress, previously covered in separate legislation. The Alliance for Progress title included

a separate provision for development loans and grants for Latin America.

AID dollar commitments in fiscal 1963 totaled $2.4 billion, of which $1.4 billion or 58 percent, was in the form of loans. Of total dollar commitments, the Near East and South Asia accounted for $992 million, Latin America, $556 million, the Far East, $441 million, and Africa, $266 million. The remainder comprised nonregional programs, such as U.N. Technical Assistance and the U.N. Children's Fund, and general program support and administrative expenses.

AID also continued to pursue its policy of maximizing expenditures of foreign assistance funds within the United States. Current procedures result in the commitment of approximately four-fifths of all assistance funds to U.S.-produced goods and services.

International conferences

International Monetary Fund and International Bank.—The Annual Meeting of the Boards of Governors of the International Monetary Fund and the International Bank for Reconstruction and Development and its affiliates opened in Washington in September 1963. The U.S. delegation was headed by Secretary Dillon as U.S. Governor and Under Secretary of State Ball as Alternate Governor. Under Secretary Fowler, Under Secretary of the Treasury for Monetary Affairs Roosa, Assistant Secretary Bullitt (U.S. Executive Director of the IBRD), and Mr. William B. Dale (U.S. Executive Director of the IMF) acted as temporary Alternate Governors. The delegation included members of the agencies constituting the National Advisory Council on International Monetary and Financial Problems, members of congressional committees, and other officials of the Government concerned with the affairs of the international financial organizations.

President Kennedy addressed the Governors on September 30. After paying tribute to the late Per Jacobsson, Managing Director of the International Monetary Fund, he reviewed the steps being taken by the U.S. Government to reduce the drain upon its balance of payments, within the framework of increasing international economic and financial interdependence. At the meeting of the Fund Governors, Secretary Dillon reviewed domestic developments in the United States and commented upon measures initiated by the United States to improve the international position of the dollar (see exhibit 25). He also expressed the approval of the U.S. Government of the Fund's declared intention to study the question of international liquidity and stated that the Fund should be at the center of any strengthening of the international monetary system which may prove to be desirable.

Meeting at the same time, representatives of the Group of Ten, [1]

[1] The following countries which have arranged to make additional resources available to the IMF: the United States, the United Kingdom, Germany, France, Italy ,Japan ,Canada, the Netherlands, Belgium, and Sweden.

under the chairmanship of Secretary Dillon, announced plans to examine the outlook for the functioning of the international monetary system and its probable future needs for liquidity. In carrying out these studies close working relationships will be maintained with the International Monetary Fund.

In the meeting of the Governors of the Bank and its affiliated institutions, the Executive Directors of the International Development Association presented a report recommending that the resources of IDA be increased by $750 million. The Board of Governors of the Bank noted with approval the action of the Executive Directors to discontinue the automatic annual allocation of net income to the Supplemental Reserve. Instead the Executive Directors will decide on the allocation of net income at the end of each fiscal year.

The Organization for Economic Cooperation and Development.—Under Secretary of the Treasury Fowler attended the second Ministerial Council meeting in Paris on November 27–28, 1962, of the Organization for Economic Cooperation and Development (OECD). At this meeting the Council of Ministers reaffirmed the need for concerted action to increase the volume and effectiveness of aid to developing countries. They also advocated policies which take full account of the interdependence of trade and aid.

The Economic Policy Committee of the OECD held regular meetings throughout the year in order to discuss the overall economic situation of the member countries. Under Secretary of the Treasury for Monetary Affairs Roosa was a member of the U.S. delegation at these meetings.

The Treasury has participated in the activities of two Working Parties of the Economic Policy Committee. The Working Party on Policies for the Promotion of Better Payments Equilibrium (Working Party 3) meets regularly at intervals of approximately six weeks; Under Secretary Roosa is the Chairman of the U.S. delegation to this Working Party. This group reviews the payments situation of both surplus and deficit countries and tries to achieve coordinated action toward the goal of international monetary stability. The Working Party on Policies for the Promotion of Economic Growth (Working Party 2), has been concerned since its inception with implementing the 50 percent collective growth target for the sixties that was adopted by the first OECD Ministerial Council held in November 1961. Deputy Under Secretary Daane has been a member of the U.S. delegation to Working Party 2.

The Development Assistance Committee (DAC) of the OECD

has investigated and considered means whereby development aid could be made available on a more effective basis and with a greater degree of harmonization of the policies of the donor countries. In April 1963 representatives of the Treasury participated in a meeting of the DAC which adopted resolutions pertaining to policy recommendations on terms of aid by DAC members to developing countries. DAC membership includes Belgium, Canada, Denmark, France, Germany, Italy, Japan, Norway, the Netherlands, Portugal, the United Kingdom, the United States, and the Commission of the European Economic Community. Denmark and Norway became members during fiscal 1963.

The annual aid review of the DAC provides for careful study and examination of each member's program and enables a comparison of relative aid burdens and general aid policies. The U.S. review was held on June 7, 1963. Assistant Secretary of the Treasury Bullitt attended the Ministerial session in July 1963 that closed the second annual aid review.

The Economic Development and Review Committee of the OECD reviews annually the economies of the member countries and issues a public report; the Treasury participated in the Committee's formal examination of the U.S. economy and in the drafting of the public report that followed. The Treasury also participates in the work of the Fiscal and other committees of the OECD. A Treasury observer regularly attended meetings of the Managing Board of the European Monetary Agreement.

The General Agreement on Tariffs and Trade.—Extensive preparations were also undertaken during the fiscal year for the international trade conference under the General Agreement on Tariffs and Trade (GATT) scheduled to open in Geneva in 1964. The path to the Conference was opened by the enactment in October 1962 of the Trade Expansion Act (19 U.S.C. 1801), which gave the President unprecedented powers to enter into new reciprocal trade agreements. The next step was taken at the twentieth session of the Contracting Parties to the GATT, October 23–November 16, 1962, when, in addition to consideration of various problems affecting world trade of the type with which these sessions are usually confronted, it was decided, on the basis of a joint United States-Canadian proposal, to convene a ministerial level meeting early in 1963 to make the necessary determinations for the scheduling of a trade conference. Representatives of the Treasury were members of the U.S. delegation to this meeting which was held in Geneva from May 21 to June 29,

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1963. The Treasury continues to participate in the work of the Trade Expansion Committee, meeting at different levels within the Government, to prepare for the "Kennedy round" of tariff negotiations, utilizing new tariff schedules authorized by the Tariff Classification Act of 1962 (19 U.S.C. 101) which became effective August 31, 1963.

Among the matters, other than the proposed trade conference, considered by the GATT at its twentieth session was Canada's action, in June 1962, as part of a program to stop severe losses of foreign exchange, imposing surcharges on approximately half its total imports.

Inter-American Economic and Social Council.—The Secretary of the Treasury headed the U.S. delegation to the annual meeting at the Ministerial level of the Inter-American Economic and Social Council held in Mexico City, October 22–27, 1962. In his principal statement (see exhibit 23) Secretary Dillon reviewed the major accomplishments of the Alliance for Progress during its first year, and pointed out areas requiring attention in the year ahead and the role of the United States and the Latin American countries in carrying out the objectives of the Alliance. Early in December Secretary Dillon attended the second meeting of the joint United States-Japan Committee on Trade and Economic Affairs held in Washington. Later in December Secretary Dillon attended the North Atlantic Treaty Organization meeting in Paris. Secretary Dillon, the U.S. Governor of the Inter-American Development Bank (IDB), led the U.S. delegation to the Fourth Annual Meeting of the Board of Governors of the IDB held in Caracas, Venezuela, in April 1963.

Lend-lease silver

Repayments continued during fiscal 1963 of those obligations which still remained outstanding at the beginning of the year on account of Treasury silver transferred to certain countries during World War II under the authority of the Lend-Lease Act of March 11, 1941. Liquidation of these obligations is nearly completed. During fiscal 1963 cash repayments of $6.6 million were received from Saudi Arabia and taken into the account of the Treasurer of the United States. Converted on the basis of the market price for silver on the dates of receipt of the payments, this is equivalent to 5.4 million fine troy ounces of silver. One million ounces of silver and cash repayments of $3.5 million from Pakistan were also taken into the Treasurer's account. This cash repayment is equivalent to 3 million fine troy ounces of silver on the basis of the market price on the dates of receipt.

Lend-lease silver transactions as of June 30, 1963

[In millions of fine ounces except where otherwise specifically indicated]

	Silver transferred from the Treasury to lend-lease for account of foreign governments	Silver returned and taken into the account of the Treasurer of the United States	Silver being returned	Dollar repayments (*millions*)	Silver to be returned
Australia	11.8	11.8			
Belgium	.3	.3			
Ethiopia	5.4	5.4			
Fiji	.2	.2			
India	172.5	172.2	0.3		
Netherlands	56.7	56.7			
Pakistan	53.5	48.8		[1] $3.5	1.6
Saudi Arabia	[2] 22.3	1.4		[3] 20.3	.1
United Kingdom	88.1	88.1			
Total	410.8	384.9	0.3	23.8	1.7

[1] Equivalent to 3 million fine troy ounces of silver converted on the basis of the market price on dates of receipts.
[2] Includes 1,031,250 ounces lost at sea while in transit.
[3] Equivalent to 19.8 million fine troy ounces of silver converted on basis of the market price on dates of receipts.

Foreign Assets Control

For the purpose of preventing Communist China from obtaining foreign exchange through the exportation of merchandise to the United States, the Foreign Assets Control Regulations prohibit the unlicensed purchase and importation into the United States of Communist Chinese or North Korean merchandise, as well as numerous other commodities therein specified which are of types that have historically come from China. The Control does not issue licenses authorizing importation of Chinese-type merchandise unless satisfactory evidence of its non-Communist Chinese origin is presented.

Importation under general licenses is authorized with respect to specific shipments of Chinese-type merchandise certified to be of non-Communist Chinese origin by the Government of a foreign country from which they were directly exported, provided that the country in question has set up procedures for certification pursuant to standards agreed to by the Treasury Department. The following Governments now have such certification procedures: Australia, Belgium, Canada, Formosa, France, the Federal Republic of Germany, Hong Kong, India, Italy, Japan, the Netherlands, the Republic of Korea, Spain, Switzerland, the United Kingdom, and Vietnam. Notices of the availability of certificates of origin for particular commodities and of the governments prepared to issue them are published from time to time in the *Federal Register*. A number of additional items became available for certification during the year.

The enforcement measures of the Control resulted in a number of successful criminal prosecutions. A total of $146,342 was collected

by the Government in forfeitures, fines, and other penalties as a result of proceedings under the Foreign Assets Control Regulations.

The Cuban Import Regulations prohibit the importation into the United States of all goods of Cuban origin and all goods imported from or through Cuba, except pursuant to license. The regulations, as amended, include imports of goods manufactured in third countries containing Cuban components. For details, see 1962 annual report, page 98 and exhibit 50.

The Transaction Control Regulations, supplementing the export control laws of the Department of Commerce, prohibit persons in the United States from purchasing, selling, or arranging the purchase or sale of certain strategic commodities outside the United States for ultimate shipment to the Soviet bloc. To determine to what extent foreign subsidiaries of U.S. firms engage in trade with the Soviet bloc in strategic commodities not presently affected by the Transaction Control Regulations, a trade survey was conducted (see exhibit 35). Out of approximately 1,100 replies received, only nine indicated that the firms engaged in trade with the Soviet bloc in commodities not presently covered by the Transaction Control Regulations.

ADMINISTRATIVE REPORTS

Management Improvement Program

The objective of the Treasury management improvement program is to ensure that a continuous broad-scale effort is made by all Treasury components to evaluate systematically and improve the effectiveness and economy of operations within all levels of their organization. This program, since its inception in 1947, has through the contributions of the participating bureaus made possible an estimated savings of $150 million. Within this total, $15.9 million in recurring savings were reported during the year, representing a 20-percent increase in program achievement over last year. Of the fiscal year 1963 savings $2.1 million resulted from the incentive awards program.

Special studies and projects

In response to a Presidential memorandum of October 11, 1962, an analysis, begun in fiscal 1962, was completed of each Treasury bureau's manpower control and utilization program including the extent to which a systematic approach is used to equate manpower with workload. It was found: That each bureau has a manpower-control method; that more than 35 methods and techniques are used by the bureaus; and that some of them apply cost accounting and work measurement systems to equate manpower and workload in all of their operations.

A study of the Bureau of Customs' mission, organization, management practices, and problems was undertaken by a study group composed of members from the Treasury's Office of Management and Organization, Office of Budget and Finance, Office of Personnel, and the Bureau of Customs. A report will be made in the fiscal year 1964. A similarly-composed group completed a management study of the Customs Agency Service for the Commissioner of Customs during fiscal 1963. The implementation by the Commissioner of the recommendations produced a major field reorganization in one segment of Customs to provide better manpower utilization.

Seventy-three Treasury bureau field offices in fourteen cities were visited by staff members of the Office of the Secretary as a part of a continuing effort to review the progress made in the management improvement program. Primary emphasis was given to manpower utilization and control, recurring and special appraisals, long-range planning, and field coordination and cooperation.

A study of correspondence and mail handling practices in the Treasury Department was completed to identify significant problem areas within the Office of the Secretary and the bureaus.

The Treasury bureaus have designated 88 of their key field personnel to serve on the 12 Federal executive boards located in the major metropolitan areas of the United States. During fiscal 1963, 4 of the 12 boards were chaired by Treasury personnel.

Financial management

Improvements continued to be made in the three major categories of Treasury Department financial management programs. The first related to the Department's policy role as a central agency in Government-wide accounting, reporting, and banking services. Significant accomplishments included realization of the annual savings of $150,000 resulting from modifications of central accounting and financial reporting in the regional accounting offices of the Bureau of Accounts; development of a reporting regulation to provide monthly information on gross obligations for use in developing measurements of the impact of certain Government expenditures on the private economy; and major revision of the *Monthly Statement of Receipts and Expenditures of the United States Government* to conform with the revised presentations contained in the 1964 Budget document.

The second category included financial programs or operations of the Department such as disbursing, internal and customs revenue collections, and public debt operations. Significant accomplishments included: The use of ADP equipment by the Bureau of Accounts in disbursing operations enabling centralization of offices resulting in $680,000 annual savings; extension of Internal Revenue Service's ADP operations in the Atlanta region to process individual income tax returns and the opening of the Philadelphia Regional Service Center to process business returns; and the reorganization by the Bureau of Customs of customs comptroller districts and the taking of other steps which reduced the cycle of audits for customs collections from three years to eighteen months.

The third category was financial management of the resources of the Treasury Department, which is carried out through budgeting, administrative accounting, and internal audit activities. During fiscal 1963 reorganizations within the Office of the Administrative Assistant Secretary consolidated budget and administrative accounting activities in the Office of Budget and Finance and established a separate Internal Audit Division in the Office of Management and Organization. Instructions were developed for a simplified method of preparing and submitting budget estimates for the fiscal year 1965; a review of the appropriation and activity structure was initiated; and the Accounting Policy Circular on accrual accounting was revised to provide alternative methods of accrual accounting enabling practical application of the concept in the several Treasury organizations.

Personnel management

The Office of Personnel increased the effectiveness and efficiency of the following major areas: employee-management cooperation; equal employment opportunity; placement of the handicapped; employee training and development; and the development of better standards and guides pertaining to employee qualifications, conduct, appeals, position classification, and pay.

The Department granted formal recognition to four major employee organizations and the top officers of these organizations were consulted on several major personnel policies and programs.

The Treasury Personnel Manual chapter on Standards of Conduct for Treasury employees was revised and issued as were new regulations for preventing conflicts of interest on the part of advisers and consultants.

An overall personnel management program was developed and issued which provides authorities, regulations, and procedures for the operation of a personnel program during a national emergency.

A new qualification standard was developed in close cooperation with all Treasury law enforcement activities, under which, for the first time, all of the Department's criminal investigator positions, approximately 4,000, are covered by a single qualification standard. This will achieve more effective recruitment, advancement, and retention of personnel. Position classification action was taken to bring criminal investigator positions in the six Treasury law enforcement activities into more equitable alignment.

Substantial assistance was provided to the Office of the Comptroller of the Currency in the development of a new qualification standard for national bank examiner positions including the new positions specializing in trust work. Concurrently, revised compensation schedules were issued in recognition of responsibilities added to these positions. These two projects have facilitated the recruitment and retention of high quality personnel.

Bureaus were provided with more specific guidance and direction for implementing the Federal policy on equal employment opportunity and on the elimination of discrimination practices based on such factors as age and sex.

Policies and regulations were issued to insure understanding and effective use of step increases related to acceptable level of competence and high quality performance. The Treasury performance rating plan was revised to improve evaluations of employee performance.

Employee training in the Department continued at approximately the same level as in 1962 except in the Internal Revenue Service where there was a sharp decrease in training in the audit function to meet immediate production requirements. Elsewhere in the Department training of technical and professional personnel was increased.

Nationwide training sessions were conducted for bureau hearing officers in Atlanta, Boston, Chicago, New York, and San Francisco in connection with Treasury appeal procedures under Executive Order 10987.

The Office of Personnel continued to stress executive development and the effective use of available training resources both within and outside the Department. Participation in interbureau and interagency activities responsive to their needs and the use of nongovernment resources proved to be especially helpful to small and medium sized bureaus. Evaluation of the training effort in relation to bureau needs was also stressed, and a comprehensive report on employee training in each bureau and throughout the Department was furnished to bureau heads and other pertinent Treasury officials to facilitate program review. The Office of Personnel participated in a number of studies of bureau programs in which employee training and personnel management were subjects of particular attention.

Incentive awards program

Estimated first year savings from the incentive awards program increased 22 percent above fiscal 1962. Because the Department has placed appropriate emphasis on raising the quality of employee suggestions, there was a decline in the number of suggestions received and the number adopted in the fiscal year 1963. However, there was a significant increase in the number of performance awards and in the estimated tangible savings derived from them. Superior performance and special act or service awards have provided valuable incentives for increased production and high quality performance.

Safety program

For calendar 1962 the Treasury Department's disabling injury frequency rate (the number of lost time injuries per million man-hours) was reported as 3.6, the second lowest rate ever recorded by the Department. While the number of disabling injuries increased in 1962, compared with 1961, the number of days lost due to disabling injuries and the total dollar cost of injuries both declined.

Property management

The Department continued to dispose of excess real and personal property promptly and to take advantage of excess property from other agencies.

Thirteen properties, consisting of land and improvements with a total acquisition cost of $440,400, were declared excess. Three other properties previously declared excess were disposed of, two by transfer and one by sale for $13,500. Of real property not involving acreage, 62 parcels, having a total acquisition cost of $654,000, were disposed of and 67 additional parcels, having a total acquisition cost of $728,000, were approved for disposal. In addition, the disposal of these properties will reduce maintenance and protection costs.

Treasury field offices were moved into new buildings at four locations. In three instances the moves permitted the housing under one roof of widely scattered offices. This resulted in: Saving time, salaries of employees, and transportation costs; bringing together various phases of related work; and greater convenience to the public.

During fiscal 1963 the Treasury Department received from other Federal agencies without reimbursement excess personal property with an original acquisition cost of about $5,884,800 and determined $15,514,700 of personal property excess to its needs, based on original acquisition cost. Within the Treasury Department $491,400 of personal property was reassigned for further utilization.

Bureau of the Comptroller of the Currency

On February 25, 1963, the National Banking System celebrated its one-hundredth anniversary. This commemorated President Abraham Lincoln's signing in 1863 of an act which provided for establishing a system of national banks chartered and supervised by the Comptroller of the Currency. These national banks and those chartered by each of the individual States constitute what has become known as the dual banking system.

Several recent activities of the Bureau of the Comptroller of the Currency have reflected policies adopted since November 1961. The amount of information available to the public, depositors, and stockholders, relating to the operations of national banks has been increased. Procedures have been instituted and legislation suggested which would enable national banks to serve local business needs and assist in meeting national goals proclaimed by the President. Involved is the providing of national banks with additional flexibility so that they may be able to give adequate service to the varying individuals and businesses who are their customers and to compete more effectively with other financial and nonfinancial institutions for new business.

Disclosure

On June 1, 1963, the Bureau issued its completely revised *Comptroller's Manual for National Banks*, which combines the laws relating to national banks, the regulations of the Comptroller of the Currency, and his rulings interpreting and applying the laws, regulations, and general principles of prudent banking. The manual was prepared for use by bank officials and their counsel and by national bank examiners and other members of the staff of the Comptroller. In its preparation, the Bureau benefited by many useful suggestions from national banks throughout the country, the technical assistance of representatives of the banking industry, and the Advisory Committee on Banking to the Comptroller of the Currency.

This Committee submitted its valuable report *National Banks in the Future* in September 1962. The report covered the entire gamut of problems of the banking field, including such important areas as the powers of national banks, their capital, corporate procedures, relationships with the Federal Reserve System, bank examination and supervision, and taxes. There is widespread recognition that the report presents for the first time in many decades a comprehensive view of the problems faced by national banks.

In September 1962 Congress gave the Comptroller of the Currency power to grant national banks authority to exercise trust and associated powers. On August 15, 1963, the Bureau issued its *Comptroller's Manual for Representatives in Trusts*, a revision of that last published in 1938. This manual complements the revision of trust regulations affecting national banks, which began with the publication of Revised Regulation 9, April 5, 1963. This manual, like the manual for national banks, is intended to assist in the understanding of the applicable regulations, instructions, and opinions. Where necessary, supplements, including opinions rendered by the Bureau, will be provided.

As part of the program to supply additional information, the new *Comptroller's Manual for National Banks* requires that banks with deposits in excess of $25 million submit to their stockholders a comparative balance sheet, earnings statement, and reconciliation of capital account. To assist further in supplying information to stockholders of national banks, the Bureau has distributed an "Annual Meeting Instruction Kit," which will supply many banks, especially the small national banks, with information and procedures to facilitate their holding more informative annual meetings.

A regularly issued Bureau publication *Summary of Actions* includes decisions relating to all applications for new national bank charters, branches, mergers, consolidations, purchase of assets, assumption of liabilities, change of name or location of head offices or branches, and conversion from State to national banks. This has received wide distribution among banks and the press.

Department of Banking and Economic Research

With the additional work requirements of the Bureau, it was found desirable to establish a Department of Banking and Economic Research. This Department has the responsibility of supplying the Comptroller with advice relating to the economic and financial aspects of legislation and to current banking and economic developments. For the first time in recent history the Bureau has been able to undertake a research program relating to its operations and responsibilities. In progress, there are program studies relating to chartering, branching, and the performance of national banks, both on a national scale and for selected regions. It is expected that the fruits of these projects will aid in formulation of policy by keeping the Bureau abreast of significant changes in the banking sphere. This Department maintains relationships with the other Federal supervisory agencies with the aim of increasing the amount of information relevant to all. In addition, this liaison enables the Bureau to develop forms and procedures for national banks which may be similar to those used for nonnational banks, making possible useful comparisons.

This research Department has responsibility for publishing the *National Banking Review*, a new quarterly publication of the Comptroller of the Currency, which is available on a subscription basis. The aim of this journal is to afford a medium of expression to those who are concerned with public policies in the field of money and banking and with the problems and practices of banking institutions. A major function of this review is to encourage an exchange of ideas which will lead to better understanding, more effective teaching, and further explorations of problems and issues. As a lasting tribute to the commemoration of the centennial of the National Banking System, the Bureau sponsored a volume entitled *Banking and Monetary Studies*, which contains 23 essays by leading scholars in these areas. The *100th Annual Report of the Comptroller of the Currency* was prepared in this Department. It represents a significant departure from previous annual reports in that it includes more analysis and, for the first time for any of the Federal bank supervisory agencies, the complete texts of all merger decisions during 1962.

The status of national banks

As of June 1963 there were 4,544 commercial banks under the supervision of the Comptroller of the Currency. Of these, 4,537 were national banks and 7 were nonnational banks in the District of Columbia. This compares with a total of 4,507 banks (4,500 national banks and 7 nonnational banks in the District of Columbia) under the supervision of the Comptroller of the Currency in June 1962. As a whole, the banks under the supervision of the Comptroller are

in excellent financial condition. In the process of supervision, each bank is examined approximately three times every two years. Hence, the examining staff examines almost 7,000 banks a year. Data are collected on the general condition of each. As of July 1962, there were only 38 banks in poor condition and one bank in bad condition. As a result of special supervisory activities and constant attention these were reduced to 19 and zero, respectively, by early July 1963.

Assets and liabilities of national banks on June 30, 1962; September 28, 1962; December 28, 1962; March 18, 1963; and June 29, 1963

[In millions of dollars]

	June 30, 1962	Sept. 28, 1962	Dec. 28, 1962	Mar. 18, 1963	June 29, 1963
	4,500 banks	4,494 banks	4,505 banks	4,506 banks	4,537 banks
ASSETS					
Loans and discounts (including overdrafts)	69,771	71,769	75,548	75,677	78,383
U.S. Government securities, direct obligations	4,383	34,456	35,551	34,411	33,944
Obligations guaranteed by U.S. Government	125	118	112	72	67
Obligations of States and political subdivisions	12,809	13,116	13,607	14,135	15,174
Other bonds, notes, and debentures	1,772	1,864	2,039	1,929	2,164
Corporate stocks, including stock of Federal Reserve Banks	381	397	396	403	413
Total loans and securities	119,241	121,720	127,254	126,627	130,146
Reserve with Federal Reserve Banks; Currency and coin; Balances with other banks, and cash items in process of collection	26,860	26,959	29,684	27,546	28,641
Bank premises owned, furniture and fixtures	1,931	1,973	2,028	2,073	2,137
Real estate owned other than bank premises	65	68	68	69	67
Investments and other assets indirectly representing bank premises or other real estate	187	189	191	193	216
Customers' liability on acceptances outstanding	454	458	542	520	518
Other assets	821	850	891	824	1,023
Total assets	149,559	152,216	160,657	157,852	162,748
LIABILITIES					
Demand deposits of individuals, partnerships, and corporations	60,705	61,831	67,338	65,775	63,256
Time and savings deposits of individuals, partnerships, and corporations	46,975	48,437	49,859	51,713	54,055
Postal savings deposits; Deposits of U.S. Government	5,640	5,013	3,922	3,217	6,212
Deposits of States and political subdivisions	10,390	10,050	10,629	10,577	11,429
Deposits of banks	8,278	8,621	9,282	8,777	8,627
Certified and officers' checks, etc	1,741	1,588	1,795	1,711	1,934
Total deposits	133,728	135,539	142,825	139,771	145,513
Demand deposits	82,834	83,352	88,964	83,655	86,893
Time and savings deposits	50,893	52,188	53,861	56,116	58,620
Mortgages or other liens on bank premises and other real estate	4	3	4	3	3
Rediscounts and other liabilities for borrowed money	379	821	1,636	1,391	600
Acceptances executed by or for account of reporting banks and outstanding	463	467	552	531	531
Other liabilities	2,743	2,866	2,891	3,388	3,093
Total liabilities	137,316	139,697	147,907	145,083	149,740

Assets and liabilities of national banks on June 30, 1962; September 28, 1962; December 28, 1962; March 18, 1963; and June 29, 1963—Continued

[In millions of dollars]

	June 30, 1962	Sept. 28, 1962	Dec. 28, 1962	Mar. 18, 1963	June 29, 1963
	4,500 banks	4,494 banks	4,505 banks	4,506 banks	4,537 banks
CAPITAL ACCOUNTS					
Debentures					(*)
Capital stock, total	3,682	3,709	3,758	3,824	3,871
Common stock	3,679	3,706	3,735	3,801	3,846
Preferred stock	3	3	23	23	25
Retirable value of preferred capital stock [1]	3	3	23	23	25
Surplus	6,124	6,176	6,307	6,428	6,526
Undivided profits	2,164	2,357	2,406	2,238	2,331
Reserves and retirement account for preferred stock	272	277	279	279	281
Total capital accounts	12,243	12,519	12,750	12,768	13,008
Total liabilities and capital accounts	149,559	152,216	160,657	157,852	162,748
MEMORANDUM					
Assets pledged or assigned to secure liabilities and for other purposes	21,103	20,622	21,488	20,881	23,104

*Less than $500,000.
[1] Not included in total capital accounts figure.

Bureau of Customs

The major responsibility of the Bureau of Customs is to administer the Tariff Act of 1930, as amended. Primary duties include the assessment and collection of all duties, taxes, and fees on imported merchandise, the enforcement of customs and related laws, and the administration of certain navigation laws and treaties. As an enforcement organization, the Bureau engages in combating smuggling and frauds on the revenue. It also enforces the regulations of numerous other Federal agencies.

Collections

Revenue collected by the Customs Service during the fiscal year 1963 reached almost $1,722 million, or 6 percent more than the $1,624 million collected in 1962. Included in the totals were customs duty collections, excise taxes on imported merchandise collected for the Internal Revenue Service, and certain miscellaneous collections. Customs duty collections alone amounted to almost $1,241 million compared with $1,171 million in 1962. Larger customs collections than in fiscal 1962 were reported by 41 out of 45 customs districts. Collections and payments by customs districts are shown in table 23. The major classes of all collections by the Customs Bureau are shown in table 24.

Of all imports into the United States during fiscal 1963, more than 37 percent were duty free. Included were some commodities imported free for Government stockpile purposes, or authorized by

special acts of Congress for free entry although dutiable under the Tariff Act of 1930, or taxable under the Internal Revenue Code. The 63 percent which was dutiable constituted the basis of customs duties on imports.

Political propaganda screening

As of January 7, 1963, Customs resumed screening foreign mail for "Communist political propaganda," pursuant to legislation approved October 11, 1962 (39 U.S.C. 4008). Customs is required to determine which mail matter, except sealed letters, is such propaganda, as defined by the act, after which the Postmaster General detains or releases such material as provided for in the act. Screening units were established at 10 major postal ports from which all foreign mail is distributed throughout the United States.

Customs operations in 1963

Carriers and persons entering.—More than 164 million persons were subject to customs inspection in fiscal 1963. There was a 5.6 percent increase in carriers and a 4.1 percent increase in persons entering the United States as shown in tables 88 and 89.

Entries of merchandise.—The volume of imports into the United States continued to rise in fiscal 1963, exceeding last year's record. The value totaled $16.4 billion, compared with $15.5 billion in fiscal 1962. The volume and type of entries handled by customs officers during the past two years is shown in table 86.

Drawback transactions.—Drawback allowance on the importation of merchandise manufactured from imported materials and for certain other export transactions usually amounts to 99 percent of the customs duties paid at the time the goods are entered. The total drawback paid in fiscal 1963 as reflected in table 87 by principal commodities was $17,821,222, an increase of 20.8 percent over 1962.

Appraisement of merchandise (including Customs Information Exchange).—Invoices filed during fiscal 1963 increased 5.3 percent, 2,491,639, compared with 2,366,771 in 1962. The number of packages examined by appraisers' personnel totaled 1,546,280, an increase of 2.7 percent over the 1,504,689 examined in fiscal 1962.

The backlog of unappraised invoices more than 30 days old rose to 444,000, an increase of 44.6 percent over the 307,000 on hand at the close of fiscal 1962. This sharp increase was attributed, as in fiscal 1962, to the initiation in January 1962 of the U.S. import duties annotated verification program (USIDA). During the year 2,932,000 individual line items were verified, each requiring four verifications. Of these, 32.6 percent required correction of one or more of the verified elements.

Under the Antidumping Act of 1921, as amended (19 U.S.C. 160–171), 41 complaints were received, compared with 16 in 1962. The disposal of 31 cases left 28 under investigation at the end of fiscal 1963, compared with 18[r] the previous year. Eight cases were referred to the U.S. Tariff Commission for a determination as to possible injury to American industry. One new case on countervailing duty was received and two cases were closed.

[r] Revised.

Two new cases involving convict labor were received during the year and four cases were closed.

Appraisers' reports of classification and value by the Customs Information Exchange in New York, N.Y., covering a cross section of imported merchandise received at each port, totaled 73,000 in fiscal 1963, compared with 76,000 in 1962.

During fiscal 1963 only 224 detailed investigations were made abroad to obtain information for appraisement. This reflected the continuing effect of the elimination of foreign value as a basis of appraisement under the terms of the Customs Simplification Act of 1956 (19 U.S.C. 1402) and the current regulation which permits a foreign inquiry only as a last resort in securing value information.

Technical services.—The nine district laboratories and one branch laboratory of the Division of Technical Services analyzed about 139,000 samples in fiscal 1963. The increase of about 7,000 samples during the year was accounted for chiefly by: Samples of crude drugs and medicinals; resins, elastomers, and plastics; raw sugar; textiles; and ores and minerals. The majority of the samples were submitted to the laboratories for appraisement or tariff classification information. Other classes analyzed were seizures (mainly narcotics and other prohibited merchandise); samples tested for other Government agencies; and preshipment samples (samples submitted by importers when requesting the rate of duty on a prospective import).

The Division of Technical Services also analyzes cargo sample weighing data, to assure accuracy and precision within statistical control limits. In fiscal 1963 such analyses were made of 107 cargoes of refined sugar, cigarette tobacco, and rayon.

The program for the improvement of U.S. border inspection stations in cooperation with the Immigration and Naturalization Service included preparation of plans and specifications and the awarding of contracts for new facilities at Northgate and Hansboro, N. Dak.; at Whitetail and Morgan, Mont.; and at Warroad, Minn. Construction was continued on the projects at Maida, Hannah, Sarles, Walhalla, and Fortuna, N. Dak.; Lancaster, Minn.; and Opheim, Mont. Facilities at Roseau, Minn., and Antler, N. Dak., were completed.

The Division of Technical Services works closely with the General Services Administration (GSA) in the development and review of plans for customs facilities at the larger border installations, which are supervised by the GSA and include space utilized by a number of Government agencies. In fiscal 1963 contracts were awarded for facilities at Jackman, Maine, and Sweetgrass, Mont., and preliminary drawings were reviewed for facilities planned for Tok, Alaska; Nogales, Ariz.; Porthill, Idaho; Van Buren, Vanceboro, and Lubec, Maine; Pigeon River, Minn.; Pembina, N. Dak.; and Derby Line, Vt.

The Bureau and the GSA have agreed on a site on Terminal Island, Calif., for a new customhouse which will be convenient to both the Long Beach and Los Angeles port sections.

Export control.—The following table shows the volume of export control activities.

Activity	1962	1963	Percentage increase
Export declarations authenticated	r 4,729,544	4,856,637	2.7
Shipments examined	r 396,496	398,183	0.4
Number of seizures	r 194	345	77.8
Value of seizures	r $514,708	$683,984	32.9
Export control employees	201	217	8.0

r Revised.

Protests and appeals.—Protests filed by importers against the rate and amount of duty assessed and appeals for reappraisement filed by importers who did not agree with appraisers as to the value of merchandise are shown in the following table.

Protests and appeals	1962	1963	Percentage decrease
Protests:			
Filed with collectors by importers (formal)	37,270	34,271	−8.1
Filed with collectors by importers (informal)	52,374	50,416	−3.7
Appeals for reappraisement filed with collectors	17,164	13,694	−20.2

Marine activities.—Vessels in the American merchant marine documented for commercial use increased from 44,018 in fiscal 1962 to 44,656 in fiscal 1963, while those documented as yachts rose from 8,712 to 9,767. The following table compares the volume of marine documentation during the fiscal years 1962 and 1963.

Activity	1962	1963	Percentage increase, or decrease (−)
Total vessels documented at end of year	52,730	54,423	3.2
Documents issued (registers, enrollments, and licenses)	17,286	17,344	.3
Licenses renewed and changes of master endorsed	49,238	50,433	2.4
Mortgages, satisfactions, notices of lien, bills of sale, abstracts of title, and other instruments of title recorded	15,707	15,666	−.3
Abstracts of title and certificates of ownership issued	7,597	7,360	−3.1
Certificates and permits	1,493	1,476	−1.1
Name changes	1,110	1,095	−1.4

Cooperative arrangements with State administrators of the motorboat numbering laws were established which will help to insure that no motorboat will be simultaneously documented by the Bureau and numbered by the State.

Pursuant to rulings of the Maritime Administration, the customs regulations were amended to provide that Maritime Administration approval would not be necessary before the marine document of a vessel covered by a preferred mortgage could be surrendered: Where the document is issued in error or on an improper form, and when the president or secretary whose name appeared on the document dies, is removed, or resigns, and there has been no change in ownership.

A working group of the Subcommittee on Tonnage Measurement, Intergovernmental Maritime Consultative Organization including a U.S. delegation, headed by Customs, met in London in October 1962 and January 1963. Proposals were formulated for tonnage-measurement rules permitting the permanent closing of certain shelter-deck and other "open" spaces on ships while retaining present tonnage advantages when the ship's draft is less than the permissible maximum. When the ship's draft is sufficiently shallow so that a prescribed mark on the ship's sides is not submerged, the shelter-deck and other open spaces would be exempted from inclusion in tonnage; when that line is submerged, the tonnage will be determined without allowing exemption of those spaces. The working group made progress toward the developing of a universal system of tonnage measurement.

The Subcommittee on Tonnage Measurement received the report and recommendations of the working group at its session March 25–29, 1963. After adoption of certain amendments, the report and recommendations were sent to the Maritime Safety Committee with the suggestion that the recommendations be transmitted to the IMCO Assembly for approval at its meeting in October 1963.

The Bureau of Customs was represented also at Haifa, Israel, at the biennial meeting of delegates from the nations signatory to the Convention for a Universal System of Tonnage Measurement of Ships signed at Oslo, Norway, on June 10, 1947. Although the United States is not a signatory to this Convention, it has many of the same tonnage-measurement problems.

Developments in IMCO on tonnage measurement, the solution of the shelter-deck problem, and the several national suggestions for a universal system were discussed. The U.S. position on the treatment of water-ballast spaces with particular reference to the recent change in regulations requiring special review of claimed exemptions for water-ballast in excess of 30 percent of the gross tonnage was outlined. It was suggested that we might consider a change in practice to omit bona fide ballast spaces from inclusion in net tonnage instead of exempting it from gross tonnage. Such a system would be applicable without limitation to all vessels, whether existing or new. It was agreed not to insist on the 19-percent limitation for deduction of water-ballast spaces, contained in the present Convention, in any international overall agreement on a tonnage-measurement system.

During fiscal 1963 a customs representative participated in the work of a group established by IMCO to study measures to facilitate maritime travel and the transport of goods by sea.

The group is to consider the regulations of governments or public authorities in regard to ships entering or leaving port and the documents, varying both in number and character, which are required to be presented at various ports.

A representative of the Bureau of Customs participated in the Inter-American Port and Harbor Conference in Argentina in the negotiation and conclusion of the convention proposed by the Organization of American States (OAS) as the Draft Convention on the Facilitation of International Waterborne Transportation. The Conference adopted a resolution calling upon the Secretariat of the OAS to convene a group of experts within six months to consider drafting

an annex of standards and recommended practices to be attached to the convention.

Amending legislation enacted on October 15, 1962 (13 U.S.C. 304) authorized deletion of the requirement for filing shipper's export declarations from the navigation laws administered by Customs, this requirement being consolidated with the general authority to require such declarations.

On October 15, 1962, legislation was enacted which repealed the requirement under the navigation laws (46 U.S.C. 95) for clearance of, and presentation of outward manifests for, U.S. vessels in trade solely between the United States and Puerto Rico, Guam, and its other noncontiguous territory, and in trade between such places.

Amending legislation approved on October 24, 1962 (46 U.S.C. 883) empowered the Secretary of Commerce for a period of one year to suspend the provisions of section 27 of the Merchant Marine Act of 1920 to permit vessels not entitled to engage in the coastwise trade to transport lumber to Puerto Rico from points in the United States upon a finding that no domestic vessel is reasonably available for such transportation. "Reasonably available" is construed to mean able to meet the foreign vessel's terms, including price.

The United States added Cambodia, Central African Republic, Gabon Republic, Malagasy Republic, and the Republic of Senegal to the list of countries whose admeasurement rules it recognizes.

During fiscal 1963 a total of 4,027 admeasurement transactions were completed. On June 30, 1963, there were 255 applications pending at the various ports for the admeasurement of vessels other than yachts, and 136 admeasurement applications pending for yachts.

At the request of the Secretary of Defense or the Secretary of the Navy, several waivers of coastwise shipping and other navigation laws were granted for specific uses of foreign flag vessels in trade or for uses usually reserved for U.S. flagships.

There was deleted from section 4.81(c) Customs Regulations the requirement that a master of a vessel registered for the foreign trade deposit his vessel's document at the customhouse upon arrival at a domestic port, where it would be retained until the vessel's departure.

Another change in Customs regulations exempts vessels clearing directly from their only port of call in the United States from filing an outward manifest listing all cargo retained on board for foreign ports, provided that the master states that such cargo shown on the inward manifest as destined to foreign ports is retained on board. A similar procedure was permitted for vessels proceeding between domestic ports by way of a foreign port.

Pursuant to the President's Proclamation of October 23, 1962, interdicting shipments of military materiel to Cuba, collectors of customs administered a procedure coordinated with the Departments of State and Defense for the issuance, upon application, of passes known as "Clearcerts" for foreign vessels leaving U.S. ports in order to avoid unnecessary delays to vessels crossing the zone and to simplify patrolling and inspecting activities of the U.S. Navy in the zone. From October 23–November 21, 1962, vessels of 36 countries applied for and were issued 843 Clearcerts.

The Customs Regulations were amended on April 13, 1963, to conform to changes in law and in the regulations of the Bureau of the

Census. The main purpose of the changes was to make uniform for all carriers the authority of the Secretary of Commerce to regulate, with the concurrence of the Secretary of the Treasury, foreign trade statistical reporting requirements.

The amendments to the Customs Regulations made by T.D. 55876 removed provisions for the clearance of domestic vessels and aircraft in trade with and between noncontiguous territories of the United States. Penalty provisions for failure to comply with procedural requirements on outward voyages were changed materially.

The following table compares entrances and clearances of vessels in the fiscal years 1962 and 1963.

Vessel movements	1962	1963	Percentage decrease
Entrances:			
Direct from foreign ports	47,463	46,674	−1.7
Via other domestic ports	39,631	38,699	−2.4
Total	87,094	85,373	−2.0
Clearances:			
Direct to foreign ports	45,772	44,576	−2.6
Via other domestic ports	39,667	38,253	−3.6
Total	85,439	82,829	−3.1

Law enforcement and investigative activities.—The Customs Agency Service conducted 22,077 investigations during 1963 under customs, navigation, and related laws administered by Customs and several administered by other Government agencies and enforced by Customs. Table 91 shows the number and types of cases investigated during 1962 and 1963.

The most active enforcement districts were: Los Angeles, Calif., with 540 arrests and 271 convictions; Laredo, Tex., with 365 arrests and 160 convictions; El Paso, Tex., with 233 arrests and 99 convictions; and New York, N.Y., with 158 arrests and 55 convictions.

The following table shows the number of arrests by Customs agents and dispositions thereof during the fiscal years 1962 and 1963.

Activity	1962	1963	Percentage increase, or decrease (−)
Arrests	1,429	1,587	11.1
Convictions	685	681	−0.6
Acquittals	33	28	−15.2
Nolle prossed	67	54	−19.4
Dismissed	283	341	20.5
Not indicted	4	26	550.0
Under, or awaiting indictment	456	625	37.1
Turned over to State and other Federal authorities for prosecution	297	279	−6.1

During fiscal 1963 officers of the Customs Agency Service cooperated with Federal, State, and local law enforcement agencies and with officials of foreign governments in 7,515 cases, 1,388 more than in 1962.

Customs made 6,855 seizures during fiscal 1963, compared with 5,819 in 1962. Total value of seizures in 1963, amounted to $24,130,554. Fines and penalties incurred totaled $13,213,717, compared with $21,374,970 in 1962.

Although included in the statistics for the Service as a whole, customs port investigators made 498 arrests during fiscal 1963 as compared with 344 in 1962. They also made 5,582 seizures of merchandise in 1963, compared with 3,753 in 1962.

During fiscal 1963 a new task force was created to survey the enforcement operations of the Customs Agency Service including: its assigned duties, responsibilities, recruitment, training, chain of command, delegation of responsibility, and its voluntary relations with other law enforcement agencies. The study, which was conducted from October 1962 through January 1963, involved interviews with almost two-thirds of all customs agents and many customs port investigators. A full review was made of the conclusions obtained in the May 1962 task force report (see 1962 annual report, p. 116), and all of its findings were confirmed. The 1963 task force endorsed strongly the recommendations previously made. Since submission of their final report in February 1963, most of their recommendations have been implemented.

Customs seizures of narcotic drugs with the exception of heroin were less than in 1962. The seizure at Houston, Tex., on November 7, 1962, of a lot of 10,320 grams of heroin, the largest in several years, accounts for the increase in that drug. The largest seizure of raw opium, 49½ pounds, which was intercepted at New Orleans, La., had come from India. During fiscal 1963 there were 13 seizures of marihuana larger than 40 pounds each, 12 from Mexico and 1 from Panama. These seizures involved the breakup of gangs which had been helping supply the markets in New York, Chicago, and Los Angeles. Some of the violators had also been dealing in heroin and cocaine. The largest individual seizures of marihuana were 230 pounds found at San Ysidro, Calif., and 200 pounds detected at New York, N.Y.

As a result of investigations conducted by Customs representatives in Europe during fiscal 1963, 68 seizures with an appraised value of $130,312 were made possible in the United States, and penalties amounting to $1,846,179 were assessed under the provisions of the Tariff Act of 1930 (19 U.S.C. 1592).

Information developed by U.S. customs representatives in the Far East led to seizures in Tokyo, Hong Kong, Singapore, and Australia, of various quantities of narcotics some of which were destined for the United States. In one case, in cooperation with the Federal Bureau of Narcotics, six packages of opium were seized in Tokyo after having been smuggled from Thailand for an American pilot by a stewardess aboard a U.S. military chartered aircraft.

The following table compares drug seizures during 1962 and 1963.

Drug seizures	Fiscal years		Percentage increase, or decrease (−)
	1962	1963	
Narcotic drugs (weight in grams):			
Heroin	2,357.80	15,721.00	566.7
Number of seizures	111	142	27.9
Raw opium	7,553.59	1,388.48	−81.6
Number of seizures	8	12	50.0
Smoking opium	7,651.75	2,760.13	−63.9
Number of seizures	10	10	----------
Others	9,347.15	4,383.52	−53.1
Number of seizures	283	187	−33.9
Maribuana;			
Bulk (weight in kilograms)	9,176.824	876.703	−90.5
Number of seizures	429	470	9.6
Cigarettes (number)	1,766	1,230	−30.4
Number of seizures	139	119	−14.4

As a result of information developed by customs representatives in Hong Kong, $26,900 in counterfeit U.S. currency was seized from seamen who were subsequently convicted on smuggling charges and given lengthy prison sentences.

Through the work of the customs representative in Singapore, a quantity of equipment and dies used in the manufacture of counterfeit U.S. gold coins was seized and several arrests were effected. It was alleged that counterfeit U.S. gold coins were used to purchase large quantities of narcotics. Direct connections were established between the arrested counterfeiters and persons involved in a recent Singapore seizure of 4,740 pounds of opium and 72 pounds of morphine.

Seizures of merchandise throughout the country for violation of laws enforced by the Customs Service reflected an increase of 12.7 percent in the number of seizures and 87.2 percent in the appraised value from the year before, as shown in table 90.

The Cuban crisis placed unusually heavy and continuing demands upon Customs, to carry out the Neutrality Act provisions, especially in Florida and other lower east coast areas.

Foreign trade zones.—The number of entries received in Foreign Trade Zone No. 1 at New York, N.Y., increased 4.2 percent over last year. Large quantities of cast iron pipe from India, papain from the Congo, cotton articles subject to import control, and barbasco root powder were received in the zone. Large amounts of refined sugar, radios, piece goods of wool and cotton, bulk and bottled liquors, cameras, Brazil nuts, chemicals, alligator skins, machinery, caviar, talc, zinc and lead ingots, and tungsten ore were stored and more than 6,900 manipulations operations were performed in the zone.

During fiscal 1963 the number of entries received in Foreign Trade Zone No. 2 at New Orleans, La., were 42.8 percent less than in fiscal 1962. Duties and internal revenue taxes collected increased 21.1 percent. An aluminum processing plant is being assembled in the zone for the processing of domestic and foreign aluminum. A grant for the establishment of Foreign Trade Subzone No. 2A at New Orleans, La., was issued on February 14, 1962, but the subzone was not in operation at the close of the fiscal year.

There were 441 manipulations operations performed in Foreign Trade Zone No. 3 at San Francisco, Calif., during fiscal 1963. The number of entries received in the zone increased 3.7 percent over fiscal 1962. Long tons received in the zone decreased 28 percent, although their value increased 18.9 percent and those delivered from the zone decreased 5.2 percent, although their value increased 41.2 percent. Duties and taxes collected increased 69.3 percent.

There was an increase in all activities at Foreign Trade Zone No. 5 at Seattle, Wash. A large variety of merchandise for exhibition at the World's Fair of 1962 and the Washington International Trade Fair was handled through the zone. Largest tonnage commodities were ball bearings, camp stoves, and camp lanterns from Japan, ski bindings from France, waterproof wearing apparel from Norway, cotton wearing apparel from Hong Kong, wooden stools and chairs from Yugoslavia, and woolen fabrics from Scotland.

Foreign Trade Zone No. 7 at Mayaguez, P.R., completed its first full year of operation in fiscal 1963. Activities consisted of repacking and remarking of dental instruments and the cutting of wallboard to size.

The first purely industrial subzone located at Penuelas, P.R. (No. 7-A), contains a petrochemical-producing facility operated by Union Carbide Caribe, Inc. Operation of this plant helps the area by providing employment to a substantial number of maintenance and auxiliary personnel.

Fiscal 1963, the first full year of operation for Foreign Trade Zone No. 8 at Toledo, Ohio, the first and only foreign trade zone on the Great Lakes, was one of vigorous activity. Manipulations operations in the zone consisted of unpacking, sorting, and repacking electrical kitchen appliances, twist drills, and advertising literature.

The following table summarizes foreign trade zone operations during fiscal 1963.

Trade zone	Number of entries	Received in zone		Delivered from zone		Duties and internal revenue taxes collected
		Long tons	Value	Long tons	Value	
New York	5,398	41,583	$33,450,459	45,234	$35,533,258	$3,465,286
New Orleans	2,164	26,528	10,366,024	25,968	9,633,195	1,726,300
San Francisco	5,479	1,099	2,206,381	1,829	3,171,273	409,119
Seattle	1,048	425	872,626	561	1,004,742	162,646
Mayaguez	26	6	10,057	12	94,990	88
Penuelas (subzone)	8	201,075	3,631,084	127,687	7,458,388	106,741
Toledo	937	39,738	26,365,744	47,395	30,857,082	419,624

Customs ports of entry, stations, airports, ports of documentation, districts of the appraiser of merchandise, and comptroller districts.—The limits of the ports of Port Canaveral, Fla., and Duluth, Minn.-Superior, Wis., were extended and redescribed to include areas not heretofore covered.

Customs ports of entry were established at Greenville, Miss. (the limits of which were extended to include the Greenville Municipal Airport), and Fort Worth, Tex. Mackinac Island and Rogers City, Mich., were designated as customs stations. The designation of Cordova, Alaska, as a customs port of entry was revoked.

Part of the San Francisco District (area of Clark County, Nev.) was transferred to the Los Angeles District.

Customs ports of documentation were established at Greenville and Pascagoula, Miss. The designation of St. Augustine, Fla., as a customs port of documentation was revoked.

The office of the Appraiser of Merchandise as a principal customs field office was established at Duluth, Minn.–Superior, Wis. (district 36).

Pursuant to section 1109(b) of the Federal Aviation Act of 1958 (49 U.S.C. 1509(b)), international airports (airports of entry) were designated at the following places: Williston, N. Dak. (Sloulin Field); Yuma, Ariz. (Yuma County Airport); Del Rio, Tex. (Del Rio International Airport); and Tucson, Ariz. (Tucson Municipal Airport).

In accordance with the same legislation and requests from local airport authorities, the names of the following previously designated international airports were changed as indicated: Baudette Municipal Airport to Baudette International Airport; Yuma County Airport to Yuma International Airport; Duluth Municipal Airport to Duluth International Airport; and Tucson Municipal Airport to Tucson International Airport.

The realignment of the comptrollers' districts in September 1962 resulted in changes of customs collection districts as follows: Rochester (8) and Buffalo (9) from New York comptroller district to Philadelphia comptroller district; Indiana (40) and Kentucky (42) from Philadelphia comptroller district to Chicago comptroller district; Tennessee (43) from Philadelphia comptroller district to New Orleans comptroller district; Montana (33) and Idaho (33) from Chicago comptroller district to San Francisco comptroller district; and Arizona (26) from New Orleans comptroller district to the San Francisco comptroller district.

Participation in meetings of international organizations and conferences.—The Commissioner of Customs served as a member of the U.S. delegation at the annual conference of the International Criminal Police Organization (Interpol) held at Madrid, Spain, from September 19–26, 1962. As an observer, the Commissioner also attended a session of the Permanent Technical Committee of the Customs Cooperation Council, held at Brussels, Belgium, from September 27–October 1, 1962.

The Assistant Commissioner served as Chairman of the U.S. Delegation to the meeting of the Working Party on Customs Administration of the Committee on Trade of the Economic Commission for Asia and the Far East. This conference, held at Bangkok, Thailand, from October 2–November 2, 1962, continued work toward simplification and uniformity in customs requirements and procedures among participating nations.

A Customs representative served as an observer at the meeting of the Chemical Committee of the Customs Cooperation Council. The purpose of this meeting, held from January 22–February 2, 1963, in Brussels, Belgium, was to develop a uniform system of classification nomenclature, chiefly for chemicals and raw materials.

Cost of administration

Customs operating expenses totaled $70,786,426, including export control expenses and the cost of additional inspection reimbursed by the Department of Agriculture.

The following table shows man-year employment data in the fiscal years 1962 and 1963.

Operation	Man-years 1962	Man-years 1963	Percentage increase
Regular customs operations:			
Nonreimbursable	7,573	7,768	2.6
Reimbursable [1]	315	324	2.9
Total regular customs employment	7,888	8,092	2.6
Export control	201	217	8.0
Additional inspection for Department of Agriculture	213	221	3.8
Total employment	8,302	8,530	2.7

[1] Salaries reimbursed to the Government by the private firms who received the exclusive services of these employees.

Management improvement program

Special search for economies.—A review, begun in November 1962, which concentrated on improvements in customs field activities is expected to achieve annual recurring savings of approximately $75,000; it also made unnecessary requests for additional funds in the amount of $79,000. The savings from the management improvement program amounted to $223,900, including space valued at $3,800 released to other agencies, and $84,200 saved in requests for additional funds.

A survey of the missions, organization, and activities of both field and headquarters offices was begun. It will explore possibilities for reducing operating costs, improving services to the public, effecting greater utilization and control of available resources, and improving customs' coordination within the Treasury Department and with other inspectional agencies.

International travel.—Efforts were continued in fiscal 1963 to improve baggage declaration forms and baggage examination facilities, as well as to speed customs clearance of persons arriving in the United States.

A pilot form to replace the itemized baggage declaration was adopted on a trial basis at the Miami, Honolulu, San Juan, and New York Idlewild international airports. This form, calling only for information necessary to identify the passenger on his arrival, permits travelers to make oral declarations of their effects and requires a listing of articles only when the passenger is a returning resident and has exceeded his exemption, or has articles to follow. The oral declaration procedure was adopted permanently for air passengers at the preclearance points of Bermuda and Nassau.

Baggage procedures for precleared air passengers transiting the United States who wish to check their baggage through to the port of departure were extended to provide them the same service, at the airlines' option, as that previously granted to air passengers processed at the first port of arrival in the United States.

A standard discount of 40 percent from the full retail price was authorized in applying customs exemptions and assessing duties on articles, except automobiles and made-to-order clothing, purchased abroad by returning residents. This enables returning residents to estimate the customs value of purchases and the probable value on which duties will be assessed when exemptions are exceeded.

The 24-hour absence requirement to permit U.S. residents returning from Mexico through California ports to claim the $100 exemption has been revoked. Uniform time requirements now exist at all ports on the Mexican border.

Treasury officials, including customs personnel, participated in an advisory group with other Government representatives, the carriers, and the New York City Department of Marine and Aviation. The objectives of the group are to improve the appearance and efficiency of New York pier facilities for passengers. To eliminate congestion on the piers the issuance of visitor dock passes has been discontinued. New baggage examination procedures designed to eliminate long waits for customs inspection were adopted at one pier and tested at another.

The Bureau of Customs, the Immigration and Naturalization Service, the Public Health Service, and the Plant Quarantine Division of the Department of Agriculture have adopted a joint procedure whereby border officers of any of the four inspectional agencies may perform primary screening of pedestrians and vehicles entering the United States from Mexico for all four agencies. Under this procedure service to the public will be improved without additional cost and there will be improved utilization of inspectional manpower. Also, a system was adopted to provide for uniform reporting by the four agencies of statistical information of vehicle and passenger arrivals through ports on the Mexican border.

The four inspectional agencies and the Military Air Transport Service adopted joint procedures to facilitate the clearance of large groups of military troops at locations other than established ports of entry. These provide a uniform method of processing military troops for all of the inspectional agencies, including adequate inspection of cargo and baggage without unnecessary delays to the movement of the troops, where the arrival or departure point is not normally staffed by inspectional personnel.

In certain overseas areas U.S. military and civilian personnel handle customs inspections. To assist when inspectional workloads are excessive, additional overseas personnel were authorized to make such inspections.

Uniform procedures, implementing certain regulations governing the importation of emergency purchases of raw materials by the Department of Defense, were provided for ports where these shipments arrive. The new instructions expedite the release of these commodities and facilitate the filing of entries by the Department of Defense in cases where merchandise is released before the filing of an entry.

When an aircraft conveying precleared passengers is diverted by weather or operational necessity to an airport where no customs officer is on duty, all precleared baggage and passengers may be released by the airline before a customs officer arrives, provided that

the airline retains any listed on the General Declaration as exceptions. This new authorization enables precleared passengers and baggage to leave the airport without the delays previously encountered.

United States and Canadian Customs have adopted a joint United States-Canada intransit card for baggage moving in bond between ports of one country via the territory of another. This is one of several improvements in which carriers have been authorized to use a common seal, joint manifest, etc., for both United States and Canadian customs purposes.

The booklet *Customs Information for Exporters to the United States*, for the assistance of American importers and foreign exporters to the United States, was revised and distributed. A brochure *Customs Information for Exhibitors at the United States Trade Fairs* for private exhibitors, representatives of foreign governments, and concessionaires who contemplate importing articles for display at a fair, exhibition, or exposition was prepared to explain customs requirements in nontechnical language.

Entry of merchandise.—The Bureau of Customs established the following procedures to curtail widespread abuse of the free entry provision for gifts valued at $10 or less: Assessment of uniform penalties, including forfeiture on gift parcels which are falsely labeled, undervalued, etc.; adoption of a declaration to be signed by the recipient for the free entry of gifts which have been assessed with duty, in order to obtain release of the parcel duty free when the gifts are bona fide; and provision of a warning stamp to be affixed to "passed free" gift parcels requesting the addressee to report the facts to Customs if the contents are not bona fide gifts.

A nominal customs value was authorized for importations of certain business machine punch cards, records, tapes, maps, charts, and other business records, as well as certain works of art, and media bearing musical compositions or information to be imported for noncommercial purposes. The adoption of this nominal value concept has relieved appraising officers of the necessity for obtaining cost of production information and importers of the requirement for furnishing this information.

Export control.—Special procedures were authorized to permit validation of documents and inspection of air export shipments at the port of origin rather than at the port of exportation. This new procedure applies only to domestic cargo laden at the port of origin on an international flight and transferred at the port of exportation to another aircraft of the same airline. It has eliminated many delays which occur when all export documentation requirements have not been met. Similar procedures are being tested to permit authentication of export declarations at the port of origin for export cargo laden on a domestic flight to a port of exportation.

Liquidation of entries.—Intensive efforts to reduce the backlog of formal entries ready for tentative liquidation resulted in a decrease from 458,000 entries on June 30, 1962, to just over 346,000 entries at the close of fiscal 1963, almost 25 percent.

Public relations developments.—In August 1962 an information and publication office was established in the Bureau of Customs. In each of the principal field offices an employee was designated as an information aide to implement the public relations program. Through-

out the fiscal year several new leaflets, revised pamphlets, posters, statistical information, and reprints of articles explaining different types of customs services, were prepared and distributed to the public.

Enforcement activities.—As a result of a major management study, the Customs Agency Service was reorganized from 14 districts and foreign offices into seven regions with headquarters in Rome, Italy; Tokyo, Japan; New York; Miami; Houston; Chicago; and Los Angeles. As of July 1, 1963, each regional headquarters was staffed by a supervising customs agent and three assistants. This and other improvements have increased coordination and appropriate action on cases of national scope; relieved customs agents in charge of many administrative details; consolidated budget and personnel functions; and provided for better utilization of manpower.

A nationwide training agreement which authorized the selection and training of customs port investigators at grade GS-5 with promotion to GS-7 upon satisfactory completion of a minimum of six months training was approved by the Civil Service Commission. The training program will provide Customs with qualified enforcement personnel after a relatively short period of intensive training.

During the fiscal year five training sessions for newly appointed customs port investigators were conducted at New York, Los Angeles, and Seattle.

Delegations of authority.—The Customs Regulations were amended to grant additional authority to collectors to settle certain types of customs violations without prior review by Bureau officials. This has aided in reducing the number of minor fines, penalties, and forfeiture cases incurred for violations of customs laws. Another change authorized customs agency personnel to appraise merchandise seized when the value was under $100.

Other improvements.—During fiscal 1963 of the 747 employee suggestions submitted, 237 were adopted. Suggestion awards totaling $6,785 represented tangible savings of $23,000.

In cooperation with the Agency for International Development, 112 foreign customs officials from 39 different countries were given extensive training in the practical operations of the U.S. Customs Service.

Upon the recommendations of the Interagency Textile Administrative Committee and the succeeding President's Cabinet Textile Advisory Committee under the Long-Term Cotton Textile Arrangement, Customs placed restrictions on the entry or withdrawal for consumption of 64 categories of cotton textiles and cotton textile products. A total of 87 quotas were imposed and prohibitions were issued against the entry or withdrawal of eight product categories. Weekly reports on the status of all quotas and weekly records on 17 separate categories were furnished for the use of the Committee.

The National Customs Service Association and the United States Appraisers and Examiners Association were formally recognized at the national level and 47 employee organizations were granted local recognition under the provisions of the employee-management regulations issued by the Bureau of Customs.

A per diem rate, based on the cost of lodging in particular localities, was established for each customs port of entry, customs station, and other places where customs employees travel regularly. These new guidelines are more specific and equitable than previous instructions.

Management teams from the Bureau headquarters inspected 62 collection, comptroller, appraisement, agency, and chemist districts. These inspections provided: A reevaluation of present and future manpower requirements; simplified procedures; and other improvements to promote safety, morale, and efficiency.

Office of Defense Lending

The Office of Defense Lending, established July 1, 1957, by Treasury Department Order No. 185, is responsible for the following functions which had been transferred to the Secretary of the Treasury.

Activities under the Defense Production Act

The making and administering of loans to private business enterprises under the authority of section 302 of the Defense Production Act of 1950, as amended (50 App. U.S.C. 2153), were assigned to the Secretary of the Treasury by Executive Order No. 10489, dated September 26, 1953. Under section 302, this Office can consider only applications for loans which are certified as essential for national defense purposes by the Office of Emergency Planning of the Executive Office of the President.

No new loans were authorized during the fiscal year 1963. Loans outstanding were reduced from $121.3 million to $53 million during the year. Commitments totaling $1.5 million at the close of fiscal 1962 were terminated. The net reduction in notes payable to the Treasury amounted to $69.4 million. Interest payments of $3.4 million were made.

Activities under the Federal Civil Defense Act

The lending functions under section 409 of the Federal Civil Defense Act were transferred to the Secretary of the Treasury on September 28, 1953, pursuant to section 104 of the Reconstruction Finance Corporation Liquidation Act (50 App. U.S.C. 2261). Since the close of fiscal 1955 no administrative expense allowance has been authorized for this program, and no applications for new loans have been accepted. As of July 1, 1962, the loans outstanding amounted to $691,687 and deferred participation commitments to $1,308,343. These loans had been reduced to $582,739 and the commitments to $476,992 as of June 30, 1963. Notes payable to the Treasury were reduced by $135,000. Interest paid amounted to $13,243.

Liquidation of Reconstruction Finance Corporation assets

The Reconstruction Finance Corporation was abolished effective at the close of June 30, 1957, pursuant to the provisions of Reorganization Plan No. 1 of 1957. Its remaining assets, liabilities, and obligations were transferred to the Secretary of the Treasury, the Administrator of the Small Business Administration, the Housing and Home Finance

Administrator, and the Administrator of General Services. The Secretary of the Treasury is responsible for completing the liquidation of business loans and securities with individual balances as of June 30, 1957, of $250,000 or more, securities of and loans to railroads, securities of financial institutions, and the windup of corporate affairs.

Net income and proceeds of liquidation amounting to $3.6 million were paid into the Treasury as miscellaneous receipts in fiscal 1963, thus making a total of $50.6 million paid since July 1, 1957. The portfolio of RFC loans, securities, and commitments amounted to $7.2 million on June 30, 1963, a reduction of $1.1 million from the $8.3 million outstanding a year earlier. Total reductions effected have amounted to $48.3 million, approximately 87 percent of the portfolio of $55.5 million transferred to the Secretary of the Treasury on July 1, 1957.

The Office of Domestic Gold and Silver Operations

The Office of Domestic Gold and Silver Operations, in the Office of the Under Secretary for Monetary Affairs, assists the Under Secretary in the formulation, execution, and coordination of policies and programs relating to gold and silver in both their monetary and commercial aspects. The Office administers the Treasury Department Gold Regulations relating to the purchase, sale, and control of industrial gold; issues licenses and other authorizations for industrial, professional, and artistic use of gold, both in the United States and abroad; receives and examines reports of operations; and investigates and supervises the activities of users of gold. Investigations into possible violations of the Gold Regulations are correlated with those of the U.S. Secret Service and other enforcement agencies.

Industrial gold controls

Because of the gold supply and balance-of-payments problems, control over the industrial use of gold has assumed increased importance. The examination of gold reports, the verification of records, and field inspections have been intensified.

Increased purchases of gold for industrial use from the Treasury.—The sales of gold for industrial use by the Treasury, which in 1961 were 2,154,468 ounces, amounted to 2,746,046 ounces in 1962. Auditors from the Office of Domestic Gold and Silver Operations examined the books and plants of all gold users whose purchases from the Mint had increased materially in calendar 1962. The survey was made to obtain explanations for the increases and to ensure that the gold was being put to legitimate use. It was found that the sales of jewelry had increased and that more gold was being consumed in electronics and related uses. In addition, certain foreign gold which formerly came into the United States for refining and sale, was being diverted to other countries, and thus was not available to domestic consumers.

Renewal of gold licenses.—All of the industrial gold licenses expired on December 31, 1962, and since they had been in effect for four years, except for those issued originally during the period, it was determined that a complete reexamination be made of the approximately 1,200

gold licensees. Examinations were made of the files and reports, field audits were made where considered advisable, and all licenses were brought up to date.

Gold coin licensing.—On July 20, 1962, Executive Order 11037 (see exhibit 36) was issued by the President. This prohibited the acquisition or holding abroad, or the importation of gold coins into the United States except under a license issued by this Office. A six-month period was given to those citizens who held rare gold coins abroad at the time of the issuance of the order, in which to dispose of them to a person not subject to the jurisdiction of the United States or to import them into the United States. This grace period expired December 31, 1962.

The regulations issued under this Executive order (see exhibit 37) provide that licenses be issued only in exceptional cases. Since rulings under the Gold Regulations have always been based upon the character of the gold coin itself, that is, its numismatic value, rulings as to licenses are made with reference to the exceptional numismatic character of the coins proposed to be acquired and imported. This determination is made in consultation with the Curator of Numismatics at the Smithsonian Institution, who is the governmental authority on the subject.

The order and regulations have resulted in a vastly increased volume of work. A list of U.S. coins which are eligible for importation has been compiled, but comprehensive lists of eligible foreign coins are not yet available.

Many persons, not knowing of the order, have purchased gold coins abroad which must be impounded by Customs upon their arrival in the United States until a determination as to their eligibility for importation may be made. Many U.S. citizens resident abroad were not aware of the order in time to meet the deadline for importation and, in addition, many persons have gold coins mounted in jewelry, which come within the gold coin rulings. An effort is being made, in collaboration with the Bureau of Customs, to evolve procedures which will reduce the amount of correspondence entailed in these cases.

Statistics re: End use of gold.—Requests for statistics regarding the end use of gold have been received from congressional committees, other Government agencies, and private industry. Accordingly, end-use certificates which are required to be executed by any purchaser of semiprocessed gold in an amount of $200 or more have been tabulated according to end use. Before this, the examination of the end-use certificates had been purely for the purpose of determining that the use was legitimate and not for classification in categories. A preliminary survey was made by correspondence, questionnaires, and personal visits to persons using gold, and an estimate was made for the calendar year 1962 of the amount of gold actually consumed in industry. The amounts used in general categories, that is, jewelry, dental, and industrial, which included electronics, space and defense use, by the over 6,000 firms purchasing semiprocessed gold are estimated in the accompanying table. The end-use certificate form was modified in certain respects so that more detailed information regarding uses will be compiled on a continuing basis.

Estimated allocation of gold by use for the calendar year 1962

Use	Fine ounces	Dollars, based on $35 per ounce	Percent
Jewelry and arts	2,297,654	$80,417,890	65.19
Dental	346,111	12,113,885	9.82
Space and defense	435,282	15,234,870	12.35
Other industry	445,503	15,592,605	12.64
Total	3,524,550	123,359,250	100.00

Gold subsidy bills.—A number of bills which in effect would give a subsidy to gold producers have been introduced in the Congress. In general, they would have the effect of setting up a gold purchase authority, first suggested for the Department of Defense and then for the Department of the Interior, which would pay to the gold miners $105 per fine troy ounce, or 3 times the monetary value, and would sell at the same price to the industrial users of gold. Any gold not purchased by industry would be sold to the Treasury Department at $35. Since these proposals would have the effect of setting up two prices for gold in the United States, and because of the adverse implications of such a two price system for the central role of the dollar as an international currency convertible into gold at the present fixed price, the Treasury Department expressed its opposition in hearings held on S. 1273 on July 15, 16, 17, 1963, by the Senate Committee on Interior and Insular Affairs.

Silver legislation

Legislation for the repeal of the Silver Purchase Act of 1934, section 4 of the act of July 6, 1939, and the act of July 31, 1946, had been introduced at the request of the administration in February 1962 and again in 1963. Statements on the bill were made by the Secretary of the Treasury on March 11 and 14, and April 29, 1963. The legislation (77 Stat. 54) was enacted on June 4, 1963. (See exhibits 38 and 39.)

Its passage had little effect upon the work of this Office since few purchases of silver had been made, except as integral parts of a gold deposit, since 1958, and the sale of silver under the acts had been suspended by the President in November 1961. Although the new legislation permits sales of silver should the market price go above the monetary price, this contingency did not occur during the fiscal year 1963.[1]

Bureau of Engraving and Printing

The Bureau of Engraving and Printing designs, engraves, and prints U.S. currency, Federal Reserve notes, securities, postage and revenue stamps, and various commissions, certificates, and other forms of engraved work for U.S. Government agencies, as well as bonds and postage and revenue stamps for the governments of insular possessions of the United States.

[1] See also report of the Treasurer of the United States, p. 125.

Deliveries of all classes of work to the customer agencies in the fiscal year 1963 totaled 36,259,917,549 pieces, as compared with 27,715,972,318 pieces in 1962, an increase of 8,543,945,231, or approximately 30.8 percent, in the deliveries of Bureau products.

Management attainments

In accordance with the provisions of Executive Order 10988, on employee-management cooperation, the Bureau extended recognition to 18 employee organizations, 3 on an informal basis, 2 on a formal basis, and 13 with exclusive recognition. The Employment Policy Review Board continued its studies of Bureau administrative practices to insure further compliance with the Treasury's long-standing nondiscrimination policy by all levels of management.

Manpower requirements were reviewed throughout the year and each vacancy was evaluated before a request was made for a replacement. The reduction of personnel from 2,943 employees at the beginning of the fiscal year to 2,938 at its close was accomplished although there was a substantial increase in product requirements.

The Bureau conducted industrial engineering studies, analyses of production processes, and quality control surveys to improve methods, operations, and efficiency, and insure development and practice of sound quality control systems. Improvements were made in equipment and in processes in the manufacture of currency and postage stamps. To facilitate operations, further modifications were made on sheet-fed rotary currency presses and web-fed rotary stamp presses. Other Bureau research activities to improve the quality of its products related to paper, tape, labels, film, adhesives, presses, and equipment.

Close liaison was maintained with the Department of Agriculture concerning the expanded food stamp program and with the Post Office Department to plan for the increasing demand for postage stamps as well as the abnormally high requirement for postage stamp books.

Reviews and audits made by the Bureau Internal Audit Staff indicate that in the fiscal year 1963, 70 financial and management type audits, containing 27 audit recommendations were released. Fifty recommendations were cleared and only 28 audit recommendations were still under consideration at the close of the year.

Through the excess property program the Bureau received $6,690 from the sale of obsolete equipment and material declared excess and obtained equipment valued at $32,563 at no charge through the Federal utilization program.

Annual recurring savings of $18,106 are estimated to accrue from employee suggestions adopted. There were 209 cubic feet of noncurrent records transferred from office space to the records storage area and 616 cubic feet of obsolete records were destroyed. In response to 1,131 requests, 88 new forms were prepared, 33 were eliminated, 9 consolidated, and 314 were improved and revised.

The emphasis which Bureau management continued to place on the Treasury Department safety program resulted in a steady improvement in its safety record. The calendar year 1962 proved to be the safest in the history of the Bureau and won for it the Secretary of the Treasury's Safety Award for bureaus in the 1,000 or more personnel category.

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Forty-seven Bureau training classes were attended by 479 employees; 136 employees attended 49 programs conducted by other agencies; and 10 employees attended 8 programs conducted by nongovernment organizations. A qualifications and skills inventory of all employees in positions below GS–11 was taken in order to advise employees of vacancies utilizing additional skills.

Estimated savings resulting from management improvements during fiscal 1963 totaled 51 man-years and approximately $278,338 on a recurring annual basis. All realized savings were applied against production costs and have been reflected either in billing rates or in inventory valuations.

New issues of postage stamps and deliveries of finished work

New issues of postage stamps delivered by the Bureau in fiscal 1963 are shown in table 92. A comparative statement of deliveries of finished work for the fiscal years 1962 and 1963 appears in table 93.

Finances

Bureau operations are financed by reimbursements to the Bureau of Engraving and Printing fund, as authorized by law. Comparative financial statements follow.

Statement of financial condition June 30, 1963 and 1962

Assets	June 30, 1963	June 30, 1962
Current assets:		
Cash:		
On hand	$746, 727	----------
With the Treasury	5, 586, 571	$3, 314, 240
Accounts receivable	2, 031, 021	2, 081, 938
Inventories: [1]		
Raw materials	1, 036, 858	800, 032
Work in process	3, 743, 900	3, 954, 540
Finished goods	1, 356, 059	3, 138, 817
Stores	1, 064, 567	1, 064, 505
Prepaid expenses	73, 134	56, 248
Total current assets	15, 638, 837	14, 410, 320
Fixed assets: [2]		
Plant machinery and equipment	18, 457, 911	19, 684, 923
Motor vehicles	97, 785	94, 300
Office machines	242, 381	193, 714
Furniture and fixtures	444, 492	442, 275
Dies, rolls, and plates	3, 955, 961	3, 955, 961
Building appurtenances	2, 558, 323	2, 196, 607
Fixed assets under construction	68, 204	305, 030
	25, 825, 057	26, 872, 810
Less accumulated depreciation	12, 335, 541	12, 370, 307
	13, 489, 516	14, 502, 503
Excess fixed assets (written down to 10% of book value)	4, 132	819
Total fixed assets	13, 493, 648	14, 503, 322
Deferred charges	132, 498	64, 632
Total assets	29, 264, 983	28, 978, 274
Liabilities and investment of the United States		
Liabilities: [3]		
Accounts payable	$312, 109	$452, 127
Accrued liabilities:		
Payroll	1, 174, 878	1, 019, 555
Accrued leave	1, 743, 658	1, 643, 968
Other	166, 197	97, 776
Trust and deposit liabilities	651, 571	576, 777
Other liabilities	1, 760	1, 082
Total liabilities	4, 050, 173	3, 791, 285
Investment of the U.S. Government:		
Appropriation from U.S. Treasury	3, 250, 000	3, 250, 000
Donated assets, net [2]	22, 000, 930	22, 000, 930
	25, 250, 930	25, 250, 930
Accumulated earnings, or deficit (−) [4]	−36, 120	−63, 941
Total investment of the U.S. Government	25, 214, 810	25, 186, 989
Total liabilities and investment of the U.S. Government	29, 264, 983	28, 978, 274

[1] Finished goods and work in process inventories are valued at cost, including administrative and service overhead. Except for the distinctive paper which is valued at the acquisition cost, raw materials and stores inventories are valued at the average cost of the materials and supplies on hand.

[2] Plant machinery and equipment, furniture and fixtures, office machines, and motor vehicles acquired on or before June 30, 1950, are stated at appraised values. Additions since June 30, 1950, and all building appurtenances are valued at acquisition cost. The act of Aug. 4, 1950 (31 U.S.C. 181a) which established the Bureau of Engraving and Printing fund specifically excluded land and buildings valued at about $9,000,000 from the assets of the fund. Also excluded are appropriated funds of about $1,100,000 expended or transferred to GSA for extraordinary expenses in connection with uncapitalized building repairs and plans for air conditioning. Dies, rolls, and plates were capitalized as of July 1, 1951, on the basis of average unit costs of manufacture, reduced to recognize their estimated useful life. Since July 1, 1951, all costs of dies, rolls, and plates have been charged to operations in the year acquired.

[3] Outstanding commitments totaled $6,991,069 as of June 30, 1963, as compared with $3,626,842 at June 30, 1962. The June 30, 1963, figure includes $2,833,437 for the acquisition of a multicolor postage stamp web-fed printing press. In addition, procurement action had been initiated by the close of fiscal year 1963 leading toward the acquisition of other high-speed printing equipment at an estimated cost of $1,600,000.

[4] The act of Aug. 4, 1950, provided that customer agencies make payment to the Bureau at prices deemed adequate to recover all costs incidental to performing work or services requisitioned. Any surplus accruing to the fund in any fiscal year is to be paid into the general fund of the Treasury as miscellaneous receipts except that any surplus is applied first to restore any impairment of capital by reason of variations between prices charged and actual costs.

Statement of income and expense, fiscal years 1963 and 1962

Income and expense	1963	1962
Operating revenue: Sales of engraving and printing	$28,464,977	$24,681,845
Operating costs:		
Cost of sales:		
Direct labor	10,004,372	9,366,156
Direct materials used	4,043,554	3,946,379
Prime cost	14,047,926	13,312,535
Overhead costs:		
Salaries and indirect labor	7,718,968	7,307,064
Factory supplies	1,216,557	1,061,617
Repair parts and supplies	287,993	288,218
Employer's share personnel benefits	1,322,479	1,274,941
Rents, communications, and utilities	505,507	488,086
Other services	296,860	294,843
Depreciation and amortization	1,612,843	1,578,862
Losses on disposal or retirement of fixed assets	49,484	56,539
Sundry expense (net)	93,777	36,694
Total overhead	13,104,468	12,386,864
Total costs [1]	27,152,394	25,699,399
Less:		
Nonproduction costs:		
Shop costs capitalized	200,556	164,125
Cost of miscellaneous services rendered other agencies	508,080	450,630
	708,636	614,755
	26,443,758	25,084,644
Net increase (−), or decrease in finished goods and work in process inventories	1,993,398	−427,311
Cost of sales	28,437,156	24,657,333
Operating profit	27,821	24,512
Nonoperating revenue:		
Operation and maintenance of incinerator and space utilized by other Treasury activities	398,468	385,779
Other services	109,612	64,851
	508,080	450,630
Nonoperating costs:		
Cost of miscellaneous services rendered other agencies	508,080	450,630
Net profit for the year [2]	27,821	24,512

[1] No amounts are included in the accounts of the fund for (1) interest on the investment of the Government in the Bureau of Engraving and Printing fund, (2) depreciation on the Bureau's buildings excluded from the assets of the fund by the act of Aug. 4, 1950, and (3) certain costs of services performed by other agencies on behalf of the Bureau.

[2] The act of Aug. 4, 1950, provided that customer agencies make payment to the Bureau at prices deemed adequate to recover all costs incidental to performing work or services requisitioned. Any surplus accruing to the fund in any fiscal year is to be paid into the general fund of the Treasury as miscellaneous receipts except that any surplus is applied first to restore any impairment of capital by reason of variations between prices charged and actual costs.

Statement of source and application of funds, fiscal years 1963 and 1962

Funds provided and applied	1963	1962
Funds provided:		
Sales of printing	$28,464,977	$24,681,845
Operation and maintenance of incinerator and space utilized by other Treasury activities	398,468	385,779
Other services	109,612	64,851
	28,973,057	25,132,475
Less cost of sales and services (excluding depreciation and other charges not requiring expenditure of funds: Fiscal year 1963, $1,662,327; fiscal year 1962, $1,635,401)	27,282,908	23,472,561
	1,690,149	1,659,914
Sale of surplus equipment	10,153	3,784
Total funds provided	1,700,302	1,663,698
Funds applied:		
Acquisition of fixed assets	619,930	739,625
Acquisition of experimental equipment; and plant repairs and alterations to be charged to future operations	110,742	16,951
Increase in working capital	969,630	907,122
Total funds applied	1,700,302	1,663,698

Fiscal Service

BUREAU OF ACCOUNTS

The Bureau's major functions are Government-wide in scope. They cover the Government's central accounts and financial reports; disbursing for virtually all civilian Federal agencies; supervising the Government's depositary system; determining qualifications and underwriting limitations of surety companies to write fidelity and other surety bonds covering Government activities; investing Government trust funds and other funds; administering Treasury loans and advances to Government corporations and agencies; accounting and reporting for foreign currencies acquired by the U.S. Government; and staff participation in the joint financial management improvement program.

Central Accounting and Reporting

Résumé of advances since 1948

In October 1948, there was established what is now referred to as the joint financial management improvement program. Briefly, one of its purposes was to develop sound accounting within each agency, as a working arm of management, in terms of financial information and control. Fifteen years ago when the program began, the system of central accounts was geared to certain statutory (warrant) requirements which, although having served an essential purpose earlier, had become outmoded, resulting in overlapping and duplication of effort by the Treasury, the General Accounting Office, and the administrative and disbursing agencies concerned. That system has evolved into an accounting for the cash operations of the Government, a system based on the considerations that served as the framework for sections 114 and 115 of the Budget and Accounting Procedures Act of 1950 (31 U.S.C. 66b–66c). The present system is tied to the reporting of cash transactions by disbursing, collecting, and administrative offices and the Treasurer of the United States, is based on the accounts maintained by these offices, and is unified centrally to present results for the Government as a whole.

During this fifteen-year period, the central financial reporting of the Government has undergone considerable change. As a result of cooperative efforts by the Bureau of the Budget, the General Accounting Office, the Treasury Department, and other agencies, in carrying out the objectives of the Budget and Accounting Procedures Act of 1950, the scope has been expanded and the quality of central financial reporting improved, replacing inadequate disclosure of information, lack of consistency, and duplication.

The following chart illustrates developments over this period. It necessarily represents only a general outline of a major modernization of central accounting and reporting. The system which has evolved since 1948, apart from simplifications and better quality of results in Treasury operations, has freed the operating agencies from central rigid bookkeeping requirements, thereby permitting talent and energy to be applied in the basic financial services to management as was envisioned by the 1950 act.

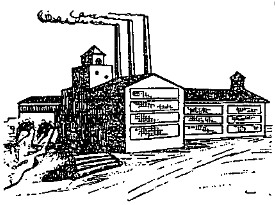
FIFTEEN YEARS OF PROGRESS IN CENTRAL ACCOUNTING FOR CASH OPERATIONS OF THE GOVERNMENT

1948

1. OUTMODED STATUTORY REQUIREMENTS

U. S. STATUTES REQUIRED MAINTENANCE OF THE { WARRANT SYSTEM OF ACCOUNTS

2. CREATED AN ACCOUNTING PAPER MILL



3. WHICH RESULTED IN THE MAINTENANCE OF

- UNCOORDINATED
- INCONSISTENT
- INCOMPLETE AND
- DUPLICATE ACCOUNTING

TREASURY
AGENCY
G. A. O.
DISB. OFFICER

4. AND CONSEQUENTLY INADEQUATE SUPPORT FOR THE

COMBINED STATEMENT 1948
BUDGET DOCUMENT 1949
AGENCY INTERNAL REPORTS 1948

SIGNIFICANT ELIMINATIONS

ACCOUNTABLE WARRANTS, COVERING WARRANTS, ETC.

REQUISTION AND ADVANCE OF FUNDS TO DISBURSING OFFICERS' ACCOUNTS AND RELATED CENTRAL ACCOUNTS FOR SO-CALLED TREASURY CASH

APPROPRIATION AND FUND ACCOUNTS IN THE GENERAL ACCOUNTING OFFICE AND DISBURSING OFFICES

MANY THOUSAND FUNDED CHECKING ACCOUNTS FOR DISBURSING OFFICERS WITH TREASURER, U.S.

SEPARATE CERTIFICATES OF DEPOSIT FOR SPECIFIC TYPES OF COLLECTIONS BASED UPON THE THEN EXISTING CENTRAL FUNDING REQUIREMENTS

CHECKS AND DEPOSITS FOR BOOKKEEPING TRANSACTIONS REPRESENTING INTRAGOVERNMENT EXPENDITURE AND NONEXPENDITURE TRANSACTIONS

HANDLING AGENCY COLLECTIONS IN TREASURY REGIONAL DISBURSING OFFICES

ACCOUNT OF ADVANCES FOR THE MILITARY DEPARTMENT

1963

1. BUDGET AND ACCOUNTING PROCEDURES ACT

ACT OF 1950 AUTHORIZED ESTABLISHMENT OF A { SIMPLIFIED SYSTEM OF ACCOUNTS

2. UTILIZING THE ACCOUNTING DATA OF

DEPARTMENTS AND AGENCIES
COLLECTING AND DISBURSING OFFICERS
TREASURER OF THE UNITED STATES

3. AS SOURCE DATA FOR AN INTEGRATED SYSTEM OF CENTRAL ACCOUNTS

CENTRAL GENERAL LEDGER AND SUBSIDIARY RECORDS OF THE TREASURY

4. PROVIDING INTERLOCKING ACCOUNTING SUPPORT FOR THE

MONTHLY TREASURY STATEMENT 1963
COMBINED STATEMENT 1963
BUDGET DOCUMENT 1964
AGENCY INTERNAL REPORTS 1963

Systems improvement

Bureau staff in the fiscal year 1963 continued to represent the Treasury Department on the steering committee and survey teams of the joint financial management improvement program in a continuing Government-wide effort to improve financial practices.

An agreement was completed with the State of Virginia for withholding State income taxes on the compensation of Federal employees, bringing to 28 the number of States (including the District of Columbia) with which agreements have been completed. Action was initiated toward a voluntary system of withholding State income taxes from Federal employees residing in those States where agreements have been signed, but whose place of employment is outside the State of residence.

Other systems work included participation in developing an electronic data processing (EDP) system for certain central accounting and reporting operations and a centralized Fiscal Service payroll and development of the Bureau's administrative accounting system integrated with a cost-based operating budget.

Central accounting

The Division of Central Accounts maintains the central accounts for the Federal Government. These provide the accounting basis for compiling receipt and expenditure data for financial statements of the Government as a whole, interlocking all cash transaction relationships between the Government's disbursing, collecting, and fiscal officers and the Treasurer of the United States.

Early in fiscal 1963 a favorable report was submitted on the feasibility of using a computer system for certain central accounting and reporting operations; an application study is proceeding with the development of plans for the first phase of EDP systems operation in fiscal 1964.

The central and regional offices of the Division of Central Accounts processed 3,625,421 accounting items during fiscal 1963, compared with 3,881,951 in 1962. For the most part, workload reductions reflect the results of continuing simplification in paperwork relating to accounting operations.

Central reporting

During fiscal 1963 several steps were taken to provide new, more timely, and more meaningful reporting of the Government's financial transactions. For example, regulations were issued to obtain monthly data on gross obligations incurred, by object class. This new central reporting, effective with July 1963, was undertaken at the request of the Director of the Bureau of the Budget, in recognition of the need for timely data on the economic impact of Government operations on the private economy.

With the collaboration of the Office of the Treasurer of the United States, the format of the daily Treasury statement was revised, effective January 1963, to present the data in more logical sequence, enhancing its use as a report of cash flow in and out of the Treasurer's accounts.

The *Monthly Statement of Receipts and Expenditures of the United States Government* was revised to conform to concepts and classifications presented in the 1964 Budget document. The major changes, effective with the June 1963 issue, included an expansion of summary tables to include trust fund receipts and expenditures, a new table summarizing cash transactions with the public, and a table showing intragovernmental and noncash transactions eliminated therefrom, to come to a cash basis.

Control of foreign currencies

Pursuant to Executive Order 11036, dated July 11, 1962, the Treasury Department and the Department of State established procedures whereby American tourists may purchase Egyptian pounds through the American Embassy in Cairo. Similar procedures may follow in other countries where the United States holds currencies in excess of normal requirements.

Legislation has been submitted to the Congress which would permit using for regular operating purposes the foreign currencies which by law are now held in a "reserve" status for funding certain programs. Many of these currencies are held idle for long periods and, in the meantime, the Government buys such currencies on the market to meet regular needs.

For details of foreign currency holdings and transactions see tables 102 and 103.

Internal auditing

Substantial progress was made in developing formal audit programs relating to fiscal activities. Management-type audits were instituted and staff assigned to broaden the scope of the audits beginning in fiscal 1964. Comprehensive audits were conducted in the Kansas City and New York regional offices, and surveys of specific procedural and operational problems were made in various other offices.

On January 2, 1963, incident to the appointment of a new Treasurer of the United States, a verification was made of the balances of cash, currency, and securities of the Office of the Treasurer of the United States.

Disbursing Operations

During most of fiscal 1963 the Division of Disbursement operated with fourteen regional disbursing offices, servicing over 1,600 offices of agencies located throughout the United States, its possessions, and the Philippines.

Electronic data processing systems were installed in the Birmingham and San Francisco offices in October 1962. These two EDP systems and others previously installed in the Chicago, Kansas City, and Philadelphia offices were used to prepare social security benefits, veterans' benefits, income tax refunds, national service life insurance dividends, railroad retirement benefits, interest payments on public debt securities, and some Federal employees' salaries and U.S. savings bonds. More than 259,240,000 checks (77 percent of the Division's entire volume) were so issued. The high productivity and efficiency of the electronic process led to installation of a similar computer system in the Washington office for operation at the beginning of fiscal 1964.

Incident to conversions to electronic systems, and after review of the workload remaining in all non-EDP offices, it was decided to close the Boston, Mass., Dallas, Tex., and Portland, Oreg., offices. The Boston office was closed on May 31, 1963; the other two are scheduled for closing early in fiscal 1964.

The average cost of processing checks and bonds in fiscal 1963 was 3.34 cents per item, compared with 3.73 cents in 1962. These processing costs include amortizations of owned (capitalized) EDP equipment and exclude one-time costs for EDP site preparation and closing of offices as well as postage.

There follows a comparison of fiscal year 1962 and 1963 workloads:

Classification	Volume [1]	
	1962	1963
Payments:		
Social security benefits	[r] 162,552,270	177,966,489
Veterans' benefits	63,256,915	63,011,104
Income tax refunds	40,470,741	40,704,667
Veterans' national service life insurance dividend program	6,013,284	6,076,295
Other	[r] 42,051,476	44,768,616
Adjustments and transfers	[r] 178,578	127,112
Savings bonds issued	3,999,111	4,529,171
Total	[r] 318,522,375	337,183,454

[1] Excludes items financed by reimbursements.
[r] Revised to exclude reimbursable items on a basis consistent with fiscal 1963 data.

Deposits, Investments, and Related Activities

Federal depositary system

The various types of depositary services and the number of commercial banking institutions authorized to provide each service, as of June 30, 1963, are shown in the following table:

Type of service provided by depositaries	Number of banking institutions
Receive proceeds from deposits by taxpayers and sale of public debt securities for credit in Treasury tax and loan accounts	11,644
Receive deposits from district directors of internal revenue, military finance officers, and other Government officers	889
Maintain official checking accounts of postmasters, clerks of U.S. courts, and other Government officers	4,384
Furnish bank drafts to Government officers in exchange for collections	2,242
Service State unemployment compensation benefit payment and clearing accounts	58
Operate limited banking facilities at military installations:	
In the United States and its outlying areas	278
Foreign	165

Loans and advances by the Treasury

The Bureau of Accounts administers loan agreements with those Government corporations and agencies authorized by law to borrow from the Treasury to finance certain programs. Tables 109 and 110 show the status of loans and advances as of June 30, 1963.

Surety bonds

The Secretary of the Treasury issues certificates of authority, renewable every June 1, to corporate sureties qualified to execute bonds in favor of the United States (6 U.S.C. 8). A list of companies holding certificates is published annually in the *Federal Register* (Department Circular No. 570, Revised). A total of 248 companies were so authorized, as of June 30, 1963; during the year, 34,035 bonds and consent agreements were approved by the Bureau as to corporate surety.

Executive agencies are required by law (6 U.S.C. 14) to obtain blanket, position schedule, or other types of surety bonds covering employees who must be bonded. The legislative and judicial branches are permitted by the same law to follow this procedure. There follows a summary of the agencies' bonding activities:

	June 30, 1962	June 30, 1963
Number of officers and employees covered:		
Executive branch	1,006,059	958,622
Legislative and judicial branches	1,522	1,688
Total	1,007,581	960,310
Aggregate penal sums of bonds procured:		
Executive branch	$3,538,697,750	$3,424,001,530
Legislative and judicial branches	11,318,500	12,085,500
Total	3,550,016,250	3,436,087,030
Premiums paid by Government (annual basis):		
Executive branch	280,775	282,596
Legislative and judicial branches	2,091	1,980
Total	282,866	284,576
Administrative expenses:		
Executive branch	45,295	42,968
Legislative and judicial branches	582	764
Total	45,877	43,732

World War I

Under funding and moratorium agreements covering World War I indebtedness, the Government of Finland made payments during the year totaling $396,484; these payments are used to finance certain educational exchange programs with Finland (20 U.S.C. 222). For further details regarding World War I indebtedness of all foreign governments to the United States, see tables 104 and 105.

World War II

Under lend-lease and surplus property agreements, the Treasury received dollar payments totaling $66.9 million (including the dollar value of silver repaid); payments in local currencies had a dollar equivalent of $14.5 million. Cumulative payments and credits against the original indebtedness amount to $3,633.7 million, as indicated in table 107.

Credit to the United Kingdom

Under the Anglo-American financial agreement, the United Kingdom made payments totaling $123.1 million, of which $68.0 million

was interest. Cumulative payments through June 30, 1963, totaled $544.7 million of principal, leaving an unpaid principal balance of $3,205.3 million. Interest payments to date aggregate $717.9 million. There also remains to be paid deferred interest installments, totaling $139.8 million. For details regarding deferred payments, see page 137 of the 1962 annual report.

Japan, postwar (World War II) economic assistance

Under an agreement dated January 9, 1962, the Government of Japan is to pay the United States $490 million, plus interest, in settlement of post-World War II economic assistance. Initial payments of $28,334,125 as principal and $6,125,000 as interest were received during fiscal 1963.

Germany, postwar (World War II) economic assistance

Under the External Debt Settlement Agreement of February 27, 1953, as amended, the Federal Republic of Germany paid to the Treasury, during fiscal 1963, the amount of $5,009,263.70 as interest on a postwar (World War II) economic assistance loan. Through June 30, 1963, cumulative payments on principal amounted to $799,629,452.21, leaving a principal balance of $200,370,547.79. Because of advance payments made, the next principal installment is not due until January 1, 1966.

Claims Against Foreign Governments and Nationals

Foreign Claims Settlement Commission

On October 4, 1962, the Foreign Claims Settlement Commission had completed adjudications under the Czechoslovakian Claims Program, with awards of $113,645,205 certified to the Treasury for payment. Payments are necessarily limited to actual funds available, derived from sale of certain blocked Czechoslovakian assets, and follow a prescribed order of priority. Awards of $1,000 or less were paid in full and, additionally, a pro rata distribution has been made on all awards over $1,000. Additional funds for further payments are not expected.

In addition to the initial payment of a maximum of $1,000 on all awards under the Bulgarian, Hungarian, Rumanian, Italian, and Soviet claims programs, the Treasury has made pro rata payments as follows: Five from the Bulgarian claims fund, one from the Hungarian claims fund, two from the Rumanian claims fund, and one from the Soviet claims fund. The Italian awards, including accrued interest, have been paid in full. Additional funds for further payments on the Soviet awards are not expected. The 1958 annual report (page 112) contains information regarding the origin and history of the claims against these five governments. For the present status of the claims funds, see table 95.

Under the agreement signed July 16, 1960, regarding claims of American nationals against the Government of Poland, the Treasury received the third annual installment of $2,000,000 on January 10, 1963. A balance of $34 million is to be repaid over the next 17 years. Through June 30, 1963, a total of 9,883 claims had been filed with

the Commission. The time for filing claims with the Commission has expired. In March 1963 the Commission began to certify awards to the Treasury.

Mixed Claims Commission, United States and Germany

On April 1, 1963, the Treasury received $4,000,000 from the Federal Republic of Germany, as its annual payment on claims arising out of World War I, as provided by the agreement of February 27, 1953. This payment was used to make an additional distribution to holders of awards certified by the Mixed Claims Commission. For the status of the claims funds, see table 94.

Divested property of enemy nationals

As of June 30, 1963, the balance on deposit in the Treasury as the net proceeds of property divested by the Attorney General of the United States, pursuant to the act of August 9, 1955 (22 U.S.C. 1631a(a)), was $641,405. The funds are being held in the names of individuals who are nationals of Bulgaria ($88,678), Hungary ($408,071), and Rumania ($144,657). To date, the Department of Justice has authorized refunds to individuals aggregating $227,018.

Other Operations

Management improvement program

The continuing search for operating economies resulted in adoption of improvements creating additional annual recurring savings of $1,045,815, which includes $967,568 realized in disbursing operations.

Training

A two-week middle management development program was inaugurated, with 16 management personnel participating initially. The course was developed in conjunction with and conducted by staff of the American University.

Donations and contributions

"Conscience fund" contributions received in the Bureau during the year and deposited into the Treasury amounted to $32,558.56. Other unconditional donations totaled $141,463.48. Such receipts by other Government agencies amounted to $8,894.10 and $21,363.11 respectively. Conditional gifts to further the defense effort amounted to $3,790.80.

The Secretary of the Treasury is authorized (31 U.S.C. 901 (a)) to accept gifts of money or property donated for the purpose of reducing the public debt. Gifts of money and the proceeds of real or personal property credited to this account in fiscal 1963 amounted to $10,210.10, increasing the cumulative total to $12,213.11. Of this amount, $12,000.00 has been used to purchase and retire public debt securities.

Government losses in shipment

Claims totaling $536,691 were paid from the revolving fund established by the Government Losses in Shipment Act, as amended. Table 115 shows the status of the fund and details of operations under the act.

Payment of pre-1934 Philippine bonds

The Treasury maintains a trust account for deposits by the Philippine Government, representing amounts payable as principal and interest on bonds of the Philippine Government issued prior to May 1, 1934. For the status of the account as of June 30, 1963, see table 79.

Withheld foreign checks

On May 20, 1963, Department Circular No. 655 was amended to prohibit the delivery of U.S. Government checks to payees residing in Cuba.

Deposits of interest charged on Federal Reserve notes

In fiscal 1963 the Treasury received $828,485,777.73 from Federal Reserve Banks as interest on outstanding Federal Reserve notes in excess of gold certificates held as collateral against the notes (12 U.S.C. 414). For cumulative payments by the Banks over the period 1947–63, see table 36.

Depositary receipts

The following table shows the volume of depositary receipts for the fiscal years 1958–63. (See page 141 of the 1962 annual report for further details.)

Fiscal year	Income and social security	Railroad retirement taxes	Federal excise taxes	Total
1958	8,481,465	10,947	681,210	9,173,622
1959	8,961,762	10,751	604,933	9,577,446
1960	9,469,057	10,625	598,881	10,078,563
1961	9,908,068	10,724	618,971	10,537,763
1962	10,477,119	10,262	610,026	11,097,407
1963	11,161,897	9,937	619,519	11,791,353

NOTE.—Comparable data for 1944–57 will be found on p. 141, 1962 annual report.

BUREAU OF THE PUBLIC DEBT

The Bureau of the Public Debt, in support of the management of the public debt, has responsibility for the preparation of Treasury Department circulars offering public debt securities, the direction of the handling of subscriptions and making of allotments, the formulation of instructions and regulations pertaining to each security issue, the issuance of the securities, and the conduct or direction of transactions in those outstanding. The Bureau is responsible for the final audit and custody of retired securities, the maintenance of the control accounts covering all public debt issues, the keeping of individual accounts with owners of registered securities and authorizing the issue of checks in payment of interest thereon, and the handling of claims on account of lost, stolen, destroyed, or mutilated securities.

The Bureau maintains offices in Chicago, Ill., Parkersburg, W. Va., and Washington, D.C. The Savings Bond Audit Branch in Cincinnati, Ohio, which had been processing retired paper type savings bonds, was closed as of December 31, 1962, and its operations transferred to the Chicago and Parkersburg offices.

Under Bureau supervision many transactions in public debt securities are conducted by the Federal Reserve Banks and their branches as fiscal agents of the United States. Selected post offices, private financial institutions, industrial organizations, and others (approximately 19,000 in all) cooperate in the issuance of savings bonds.

Management improvement

Electronic data processing (EDP) activities of the Bureau were expanded to include operations involving certain retired savings bonds in paper form. Effective August 1, 1962, incident to the closing of the Cincinnati office, provision was made for the transmittal of all redeemed Series A–E paper savings bonds to the Parkersburg office, where they are audited and classified electronically in essentially the same manner as retired Series E card bonds. After audit and classification, the serial number of each retired Series E paper bond is recorded on magnetic tape. Previously this retirement information had been recorded manually in registers maintained in the Chicago office. The manually posted registers are being microfilmed and utimately will be destroyed. Inquiries requiring reference to the serial number records will be searched on microfilm in the Chicago office; items not closed out on the old registers will then be referred to the Parkersburg office for searching on tape.

Modifications and refinements in existing programs have increased the effectiveness of the electronic system and certain related procedures, and made possible the release of a number of pieces of conventional tabulating equipment used to perform various minor operations. Steps also have been taken to inaugurate a pilot study of the feasibility of substituting microfilm and magnetic tape for registration stubs as the media for obtaining Series E bonds issue data from large volume agents which use electronic computers to inscribe bonds.

A continuing analysis of the transistorized equipment, installed on a rental basis during fiscal 1962, showed that the central processor operated at a high efficiency level and that its purchase would provide a cost advantage to the Bureau within a reasonable time. Accordingly, this equipment was purchased in November 1962.

Auditing and classifying of issue and retirement transactions of Series F, G, H, J, and K savings bonds have been concentrated in the Chicago office, which performs related operations for bonds of these series. The classification of retirement transactions was transferred as of July 1, 1962, in anticipation of the closing of the Cincinnati office; the classification of issue transactions was transferred from the Federal Reserve Banks as of January 1, 1963. These changes have permitted standardization of the basic procedures governing the audit of and accounting for savings bonds.

Typical examples of other management improvements follow. The authority of paying agents to redeem Armed Forces leave bonds was withdrawn as of the close of business on September 29, 1962; this change has simplified the audit procedure and reduced the incidence of pricing errors. A simplified method of computing the part-term interest on Federal Housing Administration debentures was developed. Check issue and name and address information for interest payable on registered Treasury bonds and notes

has been converted to punch cards in lieu of addressograph plates. The transmittal of the stubs of spoiled Series E card bonds has been discontinued and all spoiled bond processing standardized.

A number of changes in organizational structure were made to promote more effective utilization of manpower and reduce personnel costs. These changes included: The closing of the Cincinnati office effective December 31, 1962; the reorganization in the Chicago office of three subunits in the Division of Loans and Currency Branch; and the abolishment of the Numerical Register Section of the Division of Retired Savings Bonds and the transfer of its remaining functions. In the Washington office, the Securities Transactions and the Claims sections of the Division of Loans and Currency were merged.

Department Circular No. 300, *General Regulations With Respect To United States Securities*, reorganized and rewritten, was approved on April 19, 1963. Provisions relating to advance refunding offerings, redemption and redemption-exchange transactions, and taxpayer identifying numbers were added. See exhibit 10.

In anticipation of the reporting to the Internal Revenue Service of the interest paid on registered securities, regulations were issued requiring the inclusion of taxpayer identifying numbers as a part of the registration information on registered Treasury bonds and notes and Series H and K savings bonds. Action also was taken to obtain the taxpayer numbers of owners of outstanding securities of those types for association with registered accounts and check issue records. This program is being developed jointly with the Internal Revenue Service and the Division of Disbursement.

Special attention has been devoted to the personnel management programs of the Bureau. More positive recruitment procedures were established. A planned series of publications will provide information on such subjects as personnel procedures, classification, and the rights, benefits, and obligations of Federal employees. Career development plans have been adopted for two operating divisions in the Washington office. Training opportunities were provided for employees at all levels; there was participation in 32 programs presented outside the Bureau and 14 programs within it.

Under the incentive awards program, 179 suggestions were received and 45 were adopted with estimated recurring savings of $19,963. Cash awards totaling $1,355 were made for the adopted suggestions. Cash awards totaling $12,150 were given to 82 employees who received outstanding performance ratings. An additional $13,042 was distributed to 280 employees for sustained superior work performance. One Special Act or Service Award in the amount of $150 was made. Two Bureau employees received the Treasury Department's Meritorious Service Award.

Bureau operations

One measure of the work of the Bureau is the change in the composition of the public debt. The debt falls into two broad categories: public issues and special issues. The public issues consist of marketable Treasury bills, certificates of indebtedness, notes, and bonds; and

nonmarketable obligations, chiefly U.S. savings bonds and Treasury bonds of the investment series. Special issues of certificates, notes, and bonds are made by the Treasury directly to various Government trust and certain other accounts and are payable only for these accounts.

During the year, 19,011 individual accounts covering publicly held registered securities other than U.S. savings bonds were opened and 22,363 were closed. This reduced the number of open accounts on June 30, 1963, to 242,184 covering registered securities in the principal amount of $12,811 million. There were 488,536 interest checks with a value of $409,996,848 issued to owners of record during the year, an increase of 17,515 checks from the number issued in 1962, and a decrease in value of $16,212,249.

Redeemed and canceled securities other than savings bonds received for audit included 5,138,232 bearer securities and 394,202 registered securities, a total of 5,532,434 as compared with 5,191,569 in 1962; and 18,511,169 coupons were received, which was 1,973,858 less than in 1962.

A summary of public debt operations handled by the Bureau appears on pages 17 to 40 of this report, and in allied tables 26 to 56.

U.S. savings bonds.—The issuance and redemption of savings bonds creates great administrative problems for the Bureau of the Public Debt. The work involved includes: maintenance of alphabetical and numerical ownership records for the 2.5 billion bonds issued during the past 28 years; adjudication of claims; replacement of lost, stolen, and destroyed bonds (which totaled 1.8 million pieces on June 30, 1963); and the handling and recording of retired bonds.

Detailed information of sales, accrued discount, and redemption of savings bonds will be found in tables 46 to 48, inclusive.

There were 95.6 million stubs representing issued bonds of Series E received for registration making a grand total of 2,451.1 million, including reissues, received through June 30, 1963. In recent years original stubs of paper type bonds were arranged alphabetically in semiannual blocks, by name of owner, and microfilmed. The stubs were then arranged in numerical sequence by bond serial numbers for a full calendar year file and microfilmed, after which they were destroyed. These microfilms are permanent registration records. The original issue of paper bonds was discontinued in fiscal 1958.

The issue stubs of the punch-card type bonds are microfilmed in batches as they are received by the Bureau. Electronic data processing equipment is used to audit the stubs and develop a numerical and alphabetical register on magnetic tape showing ownership of bonds. In addition, the magnetic tape file of bonds issued serves as a locator index to the bond stub image on microfilm.

The following table shows the status of processing operations for registration stubs of card type Series E savings bonds. The table also includes information on operations for all retired bonds in card form, and paper type Series E bonds reissued since January 1, 1962, or redeemed since August 1, 1962.

707-484—64——10

Fiscal year	Received	Microfilmed	Keypunched	Converted to magnetic tape	Audited and classified	Destroyed	Balance: Unfilmed	Balance: Not keypunched	Balance: Not converted to magnetic tape	Balance: Unaudited
	Stubs of issued card type Series E savings bonds in Parkersburg office (in millions of pieces)									
1958	59.5	57.8	41.4	5.7	34.7	--------	1.7	18.1	53.8	24.8
1959	87.5	88.2	103.4	119.0	106.9	--------	1.0	2.2	22.3	5.4
1960	87.2	84.7	82.6	102.5	83.6	58.3	3.5	6.8	7.0	9.0
1961	88.7	90.7	92.4	92.2	92.9	154.4	1.5	3.1	3.5	4.8
1962	91.0	90.2	88.7	89.1	88.9	154.1	2.3	5.4	5.4	6.9
1963	94.3	93.9	95.0	95.0	93.0	69.6	2.7	4.7	4.7	8.2
Total	508.2	505.5	503.5	503.5	500.0	436.4	--------	--------	--------	--------
	Retired card type Series E savings bonds recorded in Parkersburg office (in millions of pieces)									
1958	17.5	16.7	10.5	0.1	7.3	--------	0.8	7.0	17.4	10.2
1959	45.2	45.5	51.4	53.2	52.8	--------	.5	.8	9.4	2.6
1960	55.2	54.3	52.5	60.0	52.4	20.6	1.4	3.5	4.6	5.4
1961	59.7	60.6	61.5	62.4	62.8	93.0	.5	1.7	1.9	2.3
1962	62.4	61.3	61.1	61.1	60.3	95.0	1.6	3.0	3.2	4.4
1963	64.9	64.3	64.1	64.3	63.5	48.3	2.2	3.8	3.8	5.8
Total	304.9	302.7	301.1	301.1	299.1	256.9	--------	--------	--------	--------
	Retired paper type Series E savings bonds processed in Parkersburg office (in millions of pieces)									
Jan. 1–June 30, 1962	0.8	0.8	0.7	0.7	0.7	--------	--------	0.1	0.1	0.1
1963	21.8	21.2	20.8	20.8	19.9	5.1	.6	1.1	1.1	2.0
Total	22.6	22.0	21.5	21.5	20.6	5.1	--------	--------	--------	--------

All retired Series E savings bonds are now handled in the Parkersburg office. There, after microfilming, the bonds are audited and required permanent record data are prepared by an electronic data processing system before being destroyed. Prior to August 1, 1962, retired paper bonds of all series, except Series E bonds retired on reissue transactions after January 1, 1962, were processed through the Cincinnati office where they were audited, microfilmed, and destroyed. A list of the serial numbers of bonds audited by the Cincinnati office was transmitted to the Chicago office for posting of retirement reference data to numerical ledgers for permanent record. The following tables show the status of these operations for the Chicago and Cincinnati offices.

Period	Retired paper type savings bonds of all series recorded in Chicago office (in millions of pieces)				
	Number of retired bonds reported	Status of posting			
		Posted	Verified	Balance	
				Unposted	Unverified [1]
Cumulative through June 30, 1958	1,608.5	1,605.2	1,499.1	3.3	28.0
Fiscal year:					
1959	50.3	50.4	86.2	3.2	3.3
1960	45.3	45.7	55.5	2.8	4.9
1961	37.1	37.2	39.3	2.7	2.8
1962	28.6	29.2	32.6	2.1	1.2
1963	8.9	11.0	12.2		
Total	1,778.8	1,778.8	1,724.8		

[1] Excludes 53.9 million pieces received in 1954 and 1955 which were not verified.

Period	Retired paper type savings bonds of all series in the branch audit offices [1] (in millions of pieces)					
	Bonds received	Audited	Micro-filmed	Balance		De-stroyed
				Unaudited	Unfilmed [2]	
Cumulative through June 30, 1958	1,145.0	1,141.4	1,128.0	3.6	5.9	1,076.8
Fiscal year:						
1959	48.7	49.1	47.7	3.2	6.9	72.4
1960	43.2	44.4	46.2	2.0	3.9	47.5
1961	32.6	32.9	34.0	1.7	2.5	32.2
1962	28.4	28.4	28.2	1.7	2.7	28.3
1963	2.3	4.0	5.0			33.6
Total	1,300.2	1,300.2	1,289.1			[3] 1,290.8

[1] Cincinnati audit office was closed in fiscal 1963 and was the last of five such offices to be closed. This table includes data for all five offices.
[2] Excludes 9.4 million pieces of unfilmed spoiled stock transferred to permanent storage and 1.7 million pieces of unissued stock destroyed without microfilming.
[3] Excludes 9.4 million pieces of spoiled stock transferred to permanent storage.

Of the 84.9 million Series A-E savings bonds redeemed prior to release of registration and received by the Bureau during the year, 82.7 million, or 97.5 percent, was redeemed by approximately 15,700 financial institutions. These paying agents were reimbursed in each quarter year at the rate of 15 cents each for the first 1,000 bonds paid and 10 cents each for all over the first 1,000. During the year a total of $10,703,064, an average of 12.94 cents per bond, was paid to the agents.

The following table shows the number of savings bonds outstanding as of June 30, 1963, by series and denomination.

Series [1]	Total	Denomination (in thousands of pieces)									
		$10	$25	$50	$100	$200	$500	$1,000	$5,000	$10,000	$100,000
E	447,633	822	238,416	99,297	76,793	7,456	11,941	12,866	----	41	2
H	6,417	----	----	----	----	----	2,437	3,590	305	85	----
A	3	----	1	(*)	1	----	(*)	(*)	----	----	----
B	4	----	1	1	1	(*)	(*)	----	----	----	----
C	12	----	4	2	3	----	1	1	----	----	----
D	59	----	21	11	17	----	4	6	----	----	----
F	129	----	38	----	42	----	12	30	4	3	----
G	372	----	----	----	142	----	76	138	11	5	----
J	416	----	72	----	141	----	42	115	17	27	1
K	517	----	----	----	----	----	138	287	44	46	2
Total	455,562	822	238,553	99,311	77,140	7,456	14,651	17,033	381	207	5

*Less than 500 pieces.
[1] Currently only Series E and H bonds are on sale.

The following table shows the number of issuing and paying agents for Series A-E savings bonds by classes.

June 30	Post offices [1]	Banks	Building and savings and loan associations	Credit unions	Companies operating payroll plans	All others	Total
	Issuing agents						
1945	24,038	15,232	3,477	2,081	[2] 9,605	(2)	54,433
1950	25,060	15,225	1,557	522	3,052	550	45,966
1955	2,476	15,692	1,555	428	2,942	588	23,681
1959	1,120	16,178	1,778	336	2,401	688	22,501
1960	1,093	16,436	1,851	320	2,352	643	22,695
1961	1,061	13,505	1,617	285	2,045	590	[3] 19,103
1962	1,046	13,559	1,670	281	1,978	573	19,107
1963	1,011	13,644	1,679	269	1,857	560	19,020
	Paying agents						
1945	----	13,466	----	----	----	----	13,466
1950	----	15,623	874	137	----	57	16,691
1955	----	16,269	1,188	139	----	56	17,652
1959	----	16,860	1,690	168	----	60	18,778
1960	----	17,127	1,797	169	----	60	19,153
1961	----	13,670	1,605	158	----	16	[3] 15,449
1962	----	13,687	1,690	160	----	16	15,553
1963	----	13,826	1,739	155	----	15	15,735

[1] Estimated by the Post Office Department for 1955 and thereafter. Sale of Series E savings bonds was discontinued at post offices at the close of business on Dec. 31, 1953, except in those localities where no other public facilities for their sale were available.
[2] "All others" included with companies operating payroll plans.
[3] Substantial reduction due to reclassification by Federal Reserve Banks effective Dec. 31, 1960, to include only the actual number of entities currently qualified.

Interest checks issued on current income type savings bonds (Series G, H, and K) during the year totaled 5,165,049 with a value of $296,043,088, an increase of 70,568 checks from those issued during 1962, and an increase in value of $19,950,657. New accounts established for Series H bonds, the only current income type savings bond presently on sale, totaled 184,211, while accounts closed for Series H bonds totaled 119,625, an increase of 64,586 accounts.

Applications during the year for the issue of duplicates of lost, stolen, or destroyed savings bonds amounted to 44,958. These, together with 998 cases on hand at the beginning of the year, totaled 45,956. In 27,375 cases the bonds were recovered, and in 17,155 cases the issuance of duplicate securities was authorized. On June 30, 1963, there remained 1,426 cases not settled.

OFFICE OF THE TREASURER OF THE UNITED STATES

The Treasurer of the United States is responsible for the receipt, custody, and disbursement, upon proper order, of the public moneys and for maintaining records of the source, location, and disposition of these funds. Created by an act of Congress approved September 2, 1789, as amended (31 U.S.C. 141, 147), the Office of the Treasurer uses the facilities of the Federal Reserve Banks as fiscal agents of the United States to perform many of its functions. Included are: The verification and destruction of U.S. paper currency; the redemption of public debt securities; the keeping of cash accounts in the name of the Treasurer; the acceptance of deposits made by Government officers for credit; and the custody of bonds held to secure public deposits in commercial banks.

Commercial banks which qualify as depositaries provide banking facilities for the Government in the United States and in foreign countries. Data on the transactions handled for the Treasurer by the Federal Reserve Banks and commercial banks are reported daily to the Treasurer and are entered in the Treasurer's general accounts.

The Treasurer maintains current summary accounts of all receipts and expenditures; pays the principal and interest on the public debt; provides checking account facilities for Government disbursing officers, corporations, and agencies; pays checks drawn on the Treasurer of the United States and reconciles the checking accounts of the disbursing officers; procures, stores, issues, and redeems U.S. currency; audits redeemed Federal Reserve currency; examines and determines the value of mutilated currency; and acts as special agent for the payment of principal and interest on certain obligations of corporations of the U.S. Government and on certain obligations of Puerto Rico issued on or before January 1, 1940. The Treasurer also acts as special agent for the payment of principal and interest on certain pre-1934 dollar bonds of the Philippines.

The Office maintains facilities at the Treasury to: Accept deposits of public moneys by Government officers; cash U.S. savings bonds and checks drawn on the Treasurer; receive excess and unfit currency and coins; and to conduct transactions in both marketable and nonmarketable public debt securities. The Office also prepares the *Daily Statement of the United States Treasury* and the monthly *Circulation Statement of United States Money.*

Acting under authority delegated by the Comptroller General of the United States, the Treasurer processes claims arising from forgery of endorsements and other irregularities involving checks paid by the Treasurer and passes upon claims for substitute checks to replace unpaid checks which have been lost or destroyed.

The Treasurer of the United States is Treasurer of the Board of Trustees of the Postal Savings System. She is also custodian of bonds

held to secure public deposits in commercial banks, bonds held to secure postal savings on deposit in such banks, and miscellaneous securities and trust funds.

Management improvement program

The three-year program for expansion and modernization of the electronic data processing (EDP) system, initiated in the fiscal year 1961, was completed by the close of fiscal 1963 with virtually all components replaced by more efficient equipment. The acquisition during the year of faster and highly accurate card-to-tape converters brought the capacities of this equipment into closer alignment with the increased capabilities of the computer main frames and other peripheral equipment previously acquired. A program for purchasing rather than renting most of the EDP equipment was well underway at the end of fiscal 1963 and is expected to result in considerable savings.

The new equipment will enable the office to handle the foreseeable workload of both Government checks and Post Office money orders for the next several years, with further reductions in item cost. In fiscal 1957, during the earliest phase of the changeover to the electronic system, the cost was $.015 per check. In 1960 it was brought down to $.006, and the latest improvements have reduced the cost to $.004 per check. (All salary costs were adjusted to the 1963 levels for purposes of comparison.) Other significant benefits realized from the new EDP equipment are: Larger work units and simpler controls resulting from reels of magnetic tape with capacity double that of those formerly in use; earlier entry of checks into the system giving the public, the disbursing officers, and the banking community better service with respect to stoppage of payment, claims, and other matters involving discrepancies; and earlier completion of the manual operations of balancing checks paid to checks charged by presenting banks and to perfecting data for permanent records.

The conversion to processing postal money orders on the Treasurer's electronic system, which started near the end of the last fiscal year, also was completed during fiscal 1963. In April 1963 the remaining money order accounts were brought under the new payment system so that, in addition to the estimated annual volume of checks (490 million in 1964 and 521 million in 1965), the Treasurer will be processing, on a reimbursable basis, approximately 240 million money orders for the Post Office Department. Improved control and servicing of the orders and overall savings to the Government of at least $650,000 annually, are expected.

Arrangements were made with the General Services Administration whereby all paid checks and many of the related records are stored in the Federal Records Center at Mechanicsburg, Pa., including some previously stored in Alexandria, Va. This consolidation facilitates the withdrawal of checks and makes possible earlier action on claims for lost or stolen checks and adjustments of accounting differences.

Employee participation in on-duty and off-duty training programs in automation and supervisory, managerial, and executive development has improved the bureau's ability to select qualified personnel for important managerial jobs. A training procedures circular was issued during fiscal 1963.

Assets and liabilities in the Treasurer's account

A summary of the assets and liabilities in the Treasurer's account at the close of the fiscal years 1962 and 1963 is shown in table 57.

The assets of the Treasurer consist of gold and silver bullion, coin and paper currency, deposits in Federal Reserve Banks, and deposits in commercial banks designated as Government depositaries.

Gold.—The gold assets declined during fiscal 1963 as they have each year since 1957. Disbursements of $1,046.4 million and receipts of $344.5 million on the daily Treasury statement basis resulted in the net reduction of $701.8 million shown in table 57. The final balance on June 30, 1963, was $15,733.2 million with a free gold balance of $120 million. The declines in earlier fiscal years were: (in millions) 1958, $1,266.6; 1959, $1,651.6; 1960, $382.5; 1961, $1,771.8; and 1962, $1,115.0.

Silver.—To conserve silver bullion for increasing coinage requirements, the Treasury Department continued to sell silver only to Government agencies. The Treasurer's Office gradually reduced the silver certificates outstanding, by permitting their replacement with Federal Reserve notes. Silver bullion at the monetary value of $1.29+ per ounce, held to secure outstanding certificates, thus was made available and released to the Bureau of the Mint for coinage. However, silver certificates are also secured by standard silver dollars in the Treasury, none of which have been coined since 1935. Although outstanding certificates were reduced $150.3 million during the year, the reduction was offset by a drop of $49.9 million in the holdings of silver dollars which passed into circulation at an unprecedented rate. By allowing the free silver balance to decline $4.4 million, the Treasurer's Office was able to release for coinage use 81 million ounces of silver bullion with a monetary value of $104.7 million.

An act approved on June 4, 1963 (77 Stat. 54) (see exhibit 39) repealed the Silver Purchase Act of 1934 (31 U.S.C. 311a, 316a, 316b, 405a, 448–448e, 734a, and 734b), the silver purchase provisions of the act of July 6, 1939, section 4 (31 U.S.C. 316c), and the act of July 31, 1946, relating to the use and purchase of silver (31 U.S.C. 316d).[1] The new law provides that the Secretary of the Treasury maintain ownership and possession or control within the United States of silver of a monetary value equivalent to the face amount of all outstanding silver certificates. Unless the market price exceeds the monetary value, the Secretary may not dispose of silver held or owned by the United States in excess of this reserve requirement except that he may sell it to other Government departments and agencies or use it in coining standard silver dollars and subsidiary silver coins. This legislation repealed the requirement that the Treasury purchase newly-mined domestic silver at the fixed price of 90½ cents per ounce, a requirement that had been suspended by Presidential directive on November 28, 1961. (See annual report for 1962, page 151.) Silver certificates shall be exchangeable by the Treasury on demand for silver dollars or, at the option of the Secretary of the Treasury, for silver bullion of a monetary value equal to the face amount of the certificates. Another provision

[1] See also report of the Office of Domestic Gold and Silver Operations, p. 102.

of the new law authorizes issuance of Federal Reserve notes in $1 and $2 denominations for the first time. This will make it possible to replace more readily outstanding silver certificates (mainly in $1 denomination) by Federal Reserve notes.

Transactions in silver bullion during the year are summarized in the following table.

Fiscal year 1963	Silver bullion: Held to secure silver certificates	Silver bullion: Held for coinage, etc.		
	Monetary value	Monetary value	Cost value	Recoinage value
	(In millions)			
On hand July 1, 1962	$2,183.1	$8.4	$21.6	$0.1
Received (+), or disbursed (−), net		−2.7	+0.9	+2.0
Revalued	(*)		(*)	
Released for coinage	−104.7	+104.7		
Used in coinage		−106.1		−2.1
On hand June 30, 1963	2,078.4	4.3	22.5	

*Less than $50,000.

Balances with depositaries.—The following table shows the number of each class of depositaries and balances on June 30, 1963.

Class	Number of accounts with depositaries [1]	Deposits to the credit of the Treasurer of the United States June 30, 1963
Federal Reserve Banks and branches	36	[2] $1,148,329,413
Other domestic depositaries reporting directly to the Treasurer	44	37,527,998
Domestic depositaries reporting through Federal Reserve Banks:		
General depositaries	1,771	226,605,902
Special depositaries, Treasury tax and loan accounts	11,644	10,324,211,590
Foreign depositaries [3]	76	49,167,154
Total	13,571	11,785,842,057

[1] Includes only depositaries having balances with the Treasurer of the United States on June 30, 1963. Excludes depositaries duly designated for this purpose but having no balances on that date and those designated to furnish official checking account facilities or other services to Government officers but which are not authorized to maintain accounts with the Treasurer. Banking institutions designated as general depositaries are frequently also designated as special depositaries, hence the total number of accounts exceeds the number of institutions involved.

[2] Includes checks for $341,894,511 in process of collection.

[3] Principally branches of U.S. banks and of the American Express Company, Inc.

Bureau operations

Receiving and disbursing public moneys.—Moneys collected by Government officers are deposited with the Treasurer at Washington, in Federal Reserve Banks, and in designated Government depositaries for credit to the account of the Treasurer of the United States. All payments are withdrawn from this account. Moneys deposited and withdrawn in the fiscal years 1962 and 1963, exclusive of certain intragovernmental transactions, are shown in the following table on the basis of the *Daily Statement of the United States Treasury.*

Deposits, withdrawals, and balances in the Treasurer's account	1962	1963
Balance at beginning of fiscal year	$6,694,119,954	$10,430,393,549
Cash deposits (net):		
Internal revenue, customs, trust fund, and other collections	r 105,910,789,098	114,453,793,551
Public debt receipts [1]	203,530,446,854	227,000,711,290
Less: Accrued discount on U.S. savings bonds and Treasury bills	-2,571,113,247	-2,857,938,673
Purchases by Government agencies (net) [2]	-502,677,061	-1,981,089,754
Sales of securities of Government agencies in market (net)	950,771,810	25,674,499
Total net deposits	r 307,318,217,454	336,641,150,913
Cash withdrawals (net):		
Budget and trust accounts, etc	r 112,188,289,891	118,476,596,149
Public debt redemptions [1]	194,300,562,743	219,341,901,015
Less redemptions included in budget and trust accounts	-1,647,689,011	-1,824,574,500
Total net withdrawals	r 304,841,163,623	335,993,922,664
Change in clearing accounts (checks outstanding, deposits in transit, unclassified transactions, etc.) (net deposits)	1,259,219,764	1,038,554,365
Balance at close of fiscal year	10,430,393,549	12,116,176,163

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[1] For details for 1963 see table 39.
[2] Includes net purchases of public debt securities in the market.

Issuing and redeeming paper currency.—By law the Treasurer is the agent for the issue and redemption of U.S. paper currency. The Treasurer's Office procures all U.S. paper currency from the Bureau of Engraving and Printing and places it in circulation as needed, chiefly through the facilities of the Federal Reserve Banks and their branches.

The Federal Reserve Banks and branches, as agents of the Treasury, redeem and destroy the major portion of the U.S. currency as it becomes unfit for circulation. A small amount is handled directly by the Treasurer's Office.

Federal Reserve Banks issue Federal Reserve notes; they also redeem these notes, cut them in half, and forward the halves separately to Washington where the Currency Redemption Division of the Treasurer's Office verifies the lower halves and the Office of the Comptroller of the Currency verifies the upper halves. Both halves are then destroyed under the direction of a special committee.

The Currency Redemption Division also redeems unfit paper currency of all types received from local sources in Washington and from Government officers abroad; and examines and identifies for lawful redemption all burned and mutilated currency received from any source. During fiscal 1963 such currency was examined for 44,719 claimants and payment made therefor to the extent of $16,046,123.

A comparison of the amounts of paper currency of all classes, including Federal Reserve notes, issued, redeemed, and outstanding during the fiscal years 1962 and 1963 follows.

	1962		1963	
	Pieces	Amount	Pieces	Amount
Outstanding July 1	3,632,683,740	$34,688,829,789	3,783,776,539	$35,848,273,859
Issues during year	1,720,343,853	8,834,281,203	1,818,874,687	9,685,107,640
Redemptions during year	1,569,251,054	7,674,837,133	1,682,566,500	8,048,605,339
Outstanding June 30	3,783,776,539	35,848,273,859	3,920,084,726	37,484,776,160

Since enactment of the Old Series Currency Adjustment Act (31 U.S.C. 912–916) on June 30, 1961, only gold certificates of the Series of 1934 and silver certificates issued after June 30, 1929, have been carried in the Treasurer's accounts as respective liabilities against gold and silver. Older issues of these currencies are redeemable from the general fund of the Treasury and the amounts outstanding are shown as noninterest-bearing public debt (see table 41). This is true also for old series Federal Reserve notes (issues prior to the Series of 1928) inasmuch as the Federal Reserve Banks, following approval of the act, deposited funds with the Treasurer for the redemption of these notes. Funds for the redemption of Federal Reserve Bank notes and national bank notes had been previously deposited with the Treasurer and credited as public debt receipts.

U.S. notes are treated as a liability against gold to the extent of the gold reserve established by law (31 U.S.C. 408). The remainder of the amount outstanding appears as noninterest-bearing public debt.

Federal Reserve notes of 1928 and subsequent series are liabilities of the respective banks of issue. However, a portion of the gold in the Treasury that is earmarked for the Federal Reserve System is segregated as a redemption fund for these notes pursuant to the act of June 12, 1945 (12 U.S.C. 414). Redemptions made by the Currency Redemption Division are charged against this fund.

In accordance with the legislation of June 30, 1961 (31 U.S.C. 915c), the Secretary of the Treasury, on August 27, 1962, determined that various old series currencies totaling $58 million would never be presented for redemption and the public debt was reduced accordingly. A similar reduction of $1 million had been made in fiscal year 1962. The redemptions of paper currency shown in the preceding table include these reductions.

Table 64 shows by class and denomination the value of paper currency issued and redeemed or written off during the fiscal year 1963 and the amounts outstanding at the end of the year. Tables 59 through 63 give further details on the stock and circulation of money in the United States.

Checking accounts of disbursing officers and agencies.—As of June 30, 1963, the Treasurer maintained 2,310 checking accounts as compared with 2,393 on June 30, 1962. The number of checks paid, by categories of disbursing officers, during fiscal 1962 and 1963 follows.

Disbursing officers	Number of checks paid	
	1962	1963
Treasury	319, 558, 152	337, 475, 327
Army	28, 670, 953	29, 123, 250
Navy	33, 834, 057	32, 107, 033
Air Force	33, 152, 049	33, 688, 542
Other	33, 770, 098	34, 417, 927
Total	448, 985, 309	466, 812, 079

Settling check claims.—During the fiscal year the Treasurer processed 509,000 requests to stop payment on Government checks, including approximately 123,000 checks destroyed in a Railway Express car fire and 52,000 requests for information and for photostatic copies of paid checks. Requests numbering 49,000 for removal of stop payments were processed.

The Treasurer acted upon 218,000 paid check claims during the year, including those referred to the U.S. Secret Service for investigation which involved the forgery, alteration, counterfeiting, or fraudulent issuance and negotiation of Government checks. Reclamation was requested from those having liability to the United States on 33,000 claims, and $3,298,000 was recovered. Settlements and adjustments were made on 31,000 forgery cases totaling $3,614,000. Disbursements from the check forgery insurance fund, established to enable the Treasurer to expedite settlement of check claims, totaled $307,000. As recoveries are made, these moneys are restored to the fund. Settlements totaling $3,307,000 have been made from this $50,000 revolving fund established by the act of November 21, 1941 (31 U.S.C. 561–564). The amount of the fund was increased to $100,000 by appropriation of an additional $50,000 effective July 1, 1963.

Claims by payees and others involving 92,000 outstanding checks were acted upon. Of these, 75,000 were certified for issuance of substitute checks valued at $27,193,000 to replace checks that were not received or were lost, stolen, or destroyed. In addition, claims by Federal Reserve Bank branches at Nashville and New Orleans involving 116,000 cashed checks totaling $23,000,000, which were en route to the Treasurer's Office for credit when they were destroyed in the Railway Express car fire, were processed under special procedures.

The Treasurer treated as canceled and transferred to accounts of agencies concerned for adjustment the proceeds of 16,319 unavailable outstanding checks, totaling more than $5,262,000.

Collecting checks deposited.—Government officers during the year deposited more than 6,980,000 commercial checks, drafts, money orders, etc., with the Cash Division in Washington for collection.

Custody of securities.—The face value of securities held in the custody of the Treasurer as of June 30, 1962, and June 30, 1963, is shown in the following table:

Purpose for which held	June 30	
	1962	1963
As collateral:		
To secure deposits of public moneys in depositary banks	$133,025,100	$117,903,100
To secure postal savings funds	18,728,500	16,953,500
In lieu of sureties	4,832,050	4,637,400
In custody for Government officers and others:		
For the Secretary of the Treasury [1]	34,888,248,969	35,796,249,444
For Board of Trustees, Postal Savings System	286,637,000	190,737,000
For the Comptroller of the Currency	12,341,000	13,960,000
For the Federal Deposit Insurance Corporation	1,357,097,830	1,132,228,100
For the Rural Electrification Administration	99,576,759	119,931,043
For the District of Columbia	93,563,935	121,196,078
For the Commissioner of Indian Affairs	36,549,150	36,438,425
Foreign obligations [2]	12,064,388,132	12,060,226,132
Other [3]	65,127,646	86,256,956
For Government security transactions:		
Unissued bearer securities	1,853,438,750	1,710,531,950
Total	50,913,554,820	51,407,249,128

[1] Includes those securities listed in table 109 as in custody of the Treasury.
[2] Issued by foreign governments to the United States for indebtedness arising from World War I.
[3] Includes U.S. savings bonds in safekeeping for individuals.

Servicing securities for Federal agencies and for certain other governments.—In accordance with agreements between the Secretary of the Treasury and various Government corporations and agencies and Puerto Rico, the Treasurer of the United States acts as special agent for the payment of principal of and interest on their securities. The amounts of these payments during the fiscal year 1963, on the basis of the *Daily Statement of the United States Treasury* were as follows:

	Principal	Interest paid with principal	Registered interest [1]	Coupon interest
Banks for cooperatives	$941,860,000	$14,921,959		
District of Columbia Armory Board				$842,163
Federal home loan banks	1,953,055,000	42,473,325		19,853,564
Federal Housing Administration	270,093,700	2,705,317	$20,209,399	
Federal intermediate credit banks	2,373,825,000	57,404,345		
Federal land banks	439,548,300	138,387	8,516,838	96,072,323
Federal National Mortgage Association	299,982,000			89,853,075
Puerto Rico	550,000	6,323	5,063	113,023
Others	23,225			2,970
Total	6,278,937,225	117,649,655	28,731,300	206,737,117

[1] On the basis of checks issued.

Office of Foreign Assets Control

The Office of Foreign Assets Control was established on October 15, 1962, by Treasury Department Order No. 128, Revision 1 (see exhibit 41). The Office administers regulations and orders issued under section 5(b) of the Trading with the Enemy Act. The Foreign Assets Control Regulations block all property in the United States in which any Communist Chinese or North Korean interest exists and prohibit all trade or other financial transactions with those areas or their nationals. The Cuban Import Regulations govern imports into the United States of goods of Cuban origin, goods containing Cuban components, or goods from or through Cuba.

The Control also administers regulations which prohibit persons in the United States from purchasing, selling, or arranging the purchase or sale of strategic commodities outside the United States for ultimate shipment to the Soviet bloc. The latter regulations supplement the export control laws administered by the Department of Commerce.

In addition, the Control carries on licensing activities in connection with transactions otherwise prohibited by the regulations mentioned above and takes action to enforce these regulations.

Internal Revenue Service[1]

The Internal Revenue Service is responsible for collecting internal revenue and for administering the internal revenue laws. One of the major objectives of the Service is to preserve and strengthen the self-assessment system of taxation through encouraging greater voluntary compliance with the tax laws. The Service is also responsible for administering certain other statutes including the Federal Alcohol Administration Act (27 U.S.C. 201–212), the Liquor Enforcement Act of 1936 (18 U.S.C. 1261, 1262, 3615), and the Federal Firearms Act (15 U.S.C. 901–909).

Internal revenue collections and refunds

Collections.—Internal revenue collections of $105.9 billion during the fiscal year 1963 exceeded $100 billion for the first time in history. This was an increase of $6.5 billion over 1962. During the year there have been definite indications that voluntary compliance with the laws by taxpayers is increasing. This trend reflects the salutary effect of the Service's programs dealing with taxpayer information and assistance (including publications for taxpayers), direct enforcement, and conversion to automatic data processing (ADP). For example, many taxpayers came into district and local offices voluntarily paying taxes that were past due and stated that they wanted to get their tax accounts current before ADP was fully implemented. This improvement in voluntary compliance, together with favorable economic conditions, was responsible for the sharp increase in collections.

Individual income taxes rose $2.3 billion, 4.6 percent, and reflected greater voluntary compliance and a continued rise in the national level of personal income, particularly in salaries and wages. Corporation income taxes increased $1.0 billion over 1962, a new high for collections from this source.

Employment taxes, which accounted for 14.2 percent of all internal revenue, increased 18.1 percent in 1963 and accounted for $2.3 billion of the increase in total revenue. Gains in employment taxes reflected not only the higher level of personal income, but also increases in tax rates. The old-age, disability, and survivors insurance tax rate, payable by both employers and employees, increased from 3⅛ to 3⅝ percent on the first $4,800 of taxable wages, effective January 1, 1963. Unemployment insurance taxes rose $0.5 billion, or 107.3 percent. This increase was due primarily to the rise in the tax rate to 3.5 per-

[1] Additional information will be found in the separate *Annual Report of the Commissioner of Internal Revenue.*

cent on taxable wages paid during the calendar year 1962 from the 3.1 percent rate in effect during 1961. Since the State credit is 2.7 percent, the net Federal tax increased from 0.4 to 0.8 percent.

Excise tax collections increased $657.6 million, or 5.2 percent, in 1963; this approximates the dollar increase of 1962. The Federal use tax on highway motor vehicles amounted to just under $100 million, 24.7 percent more than last year. Receipts from the Federal tax on passenger automobiles, chassis, bodies, etc., were up $259.1 million, or 19.9 percent. The excise tax on transportation of persons was repealed effective November 16, 1962, except the tax on air travel which was reduced to 5 percent. Collections from this source dropped $28.8 million, or 11.0 percent, to $233.9 million.

A comparison of collections in the fiscal years 1962 and 1963 by principal type of tax is shown below. Collections from 1929–63 by detailed categories are given in table 21.

Source	In thousands of dollars	
	1962	1963
Income taxes:		
Corporation	21,295,711	22,336,134
Individual:		
Withheld by employers	36,246,109	38,718,702
Other	14,403,485	14,268,878
Total individual income taxes	50,649,594	52,987,581
Total income taxes	71,945,305	75,323,714
Employment taxes:		
Old-age and disability insurance	11,686,231	13,484,379
Unemployment insurance	457,629	948,464
Railroad retirement	564,311	571,644
Total employment taxes	12,708,171	15,004,486
Estate and gift taxes	2,035,187	2,187,457
Excise taxes:		
Alcohol taxes	3,341,282	3,441,656
Tobacco taxes	2,025,736	2,079,237
Other excise taxes	7,385,158	7,888,844
Total excise taxes	12,752,176	13,409,737
Total collections	99,440,839	105,925,395

Refunds.—During fiscal 1963 refunds of internal revenue, comprising both principal and interest, totaled $6.6 billion, compared with $6.3 billion in 1962. Gross collections, less refunds, were $99.3 billion in fiscal 1963 and $93.1 billion in 1962. These amounts will differ from net budget receipts which include gross collections of internal revenue, customs duties, and receipts from miscellaneous sources reduced by transfers to trust fund accounts, refunds of receipts, and interfund transfers.

Interpretation and communication of tax law to taxpayers

To assist taxpayers to understand their rights and responsibilities, the Service prepares and distributes basic regulations, rulings, tax forms, and instructions. It also publishes a series of tax guides covering separate situations and disseminates information through the various news media. District and local offices provide individual, group, or telephone assistance to taxpayers to help them prepare their returns correctly, comply with filing requirements, or meet payment deadlines.

Taxpayer publications.—This is basically a self-help program for taxpayers. In addition to providing instructions with the tax return forms, the Service issues approximately 50 publications in plain everyday language for the information and guidance of taxpayers on practically all aspects of Federal taxation. Continuing the Service's "New Direction" for greater emphasis on voluntary compliance through an informed taxpaying public, numerous improvements and expansions of the program were accomplished during fiscal 1963. Each publication contains detailed and easy to understand explanations of the laws applicable to a particular problem area. Objectives of this program are to expedite and increase the effectiveness of the taxpayer assistance program, and to minimize the necessity for individual assistance by Service personnel.

Public information program.—Utilizing the Centennial observance as a point of interest, the Service conducted an accelerated public information program throughout the fiscal year 1963 through the press, radio, television, theater and group showings of films, and speeches by Internal Revenue officials. Extended efforts were directed toward increased public understanding of the Federal tax laws and the rights and obligations of taxpayers.

In addition to the needs reflected by automatic data processing and taxpayer assistance in general, the liberalization of depreciation guidelines and the effect of the Revenue Act of 1962 increased the necessity for mass dissemination of information.

The keen public interest which developed in the tax aspects of travel and entertainment expenses, retirement plan contributions of self-employed persons, investment credit, and foreign investment, resulted in substantial increases in news media inquiries and requests. With the cooperation of the press, radio, and television, the Service strengthened its program of information thereby contributing toward a better-informed public.

Taxpayer assistance program.—A basic component of the Service's program of fostering voluntary compliance is the taxpayer assistance program. Taxpayers are assisted by specially selected individuals who have demonstrated their technical proficiency and their ability to deal effectively with the public.

During the filing period, 11.5 million taxpayers received aid in preparing their tax returns. Assistance furnished taxpayers by telephone rose from 6.3 [r] million in 1962 to 6.8 million in 1963. Taxpayers receiving individual assistance numbered 470,000 compared with 509,000 last year, but those furnished self-help assistance in 1963 was substantially unchanged from 1962.

Although the number of taxpayers assisted increased 3.0 percent over 1962, the number of man-days expended decreased 9.9 percent, from 131,518 in 1962 to 118,546 in 1963. This saving in time was made possible by the greater emphasis placed on assistance by telephone.

Tax return forms program.—The Service's continuing efforts to improve and simplify tax return forms were complicated by new legislation, new regulations, and the impact of automatic data processing. Members of the Tax Return Forms Committee visited

[r] Revised.

service centers and conferred with ADP specialists in order to minimize processing problems. There was also close coordination with the Social Security Administration and other Government agencies as well as with State tax officials in matters of mutual concern. Several new forms were designed or old ones revised as a result of legislative changes. Other forms were eliminated and, in some cases, several forms were combined into one. A number of sample forms and tax rate tables illustrating the effects of proposed legislation were drafted. Suggestions from professional groups, the public, and Service employees were evaluated and utilized.

Regulations program.—Fifty-three Treasury decisions, 9 Executive orders, and 44 notices of proposed rulemaking, relating to matters other than alcohol and tobacco taxes, were published in the *Federal Register*. Twenty-one public hearings on the provisions of the proposed regulations, which were published this year, were held in accordance with the provisions of the Administrative Procedures Act. Approximately 1,900 taxpayers or their representatives participated.

In the alcohol and tobacco tax area, certain regulations relating to fruit-flavor concentrates were simplified and reissued. Other regulations relating to tobacco products were rewritten for clarification and reissued.

Receipt and processing of returns

Number of returns filed.—The Service received 97.8 million tax returns of all classes in the fiscal year 1963, an increase of 1.3 million, or 1.4 percent, over those received in 1962. Individual income tax returns increased 1.1 million. Declarations of estimated individual income tax again, as in 1962, decreased by about 0.1 million. Employment tax returns increased 0.2 million. Nearly half of this increase was in employers' returns for household employees. Information returns decreased from 340 million in 1962 to 327 million. This four percent decrease in total information returns reflects a decrease in the number of forms 1099 received in the latter half of fiscal 1963, due to discontinuance of the requirement of filing such returns on a quarterly basis. (Form 1099 is an information return reporting payments of dividends, interest, and various other items.)

Service center functions.—The Atlanta Regional Service Center began handling individual income tax returns during fiscal 1963. That center and the three area service centers at Lawrence, Mass., Kansas City, Mo., and Ogden, Utah, processed 57.5 million individual income tax returns in 1963. Of the returns processed, 49.2 million were 1962 returns filed during the 1963 filing period and 8.3 million were 1961 returns filed during the 1962 filing period, but processed after June 30, 1962. The decrease of 3 million returns, 5 percent, from the preceding fiscal year was due substantially to the accelerated returns processing program maintained in the latter half of fiscal 1962 by the area service centers.

In addition, 4.9 million declarations of estimated individual income tax were processed. Accounts receivable were established for appropriate individual income and estimated tax returns. Area service centers performed the mailing and delinquency check operations for all employers' returns for the district offices which they service. The Atlanta Regional Service Center performed all processing, accounting,

mailing, and delinquency check operations for certain business returns filed in that region over the full fiscal year.

The transfer of work from the area service centers to regional service centers under the ADP program continued as the mailing and delinquency check operations for employers' returns from the Philadelphia region were shifted from the Northeast Service Center to the new Philadelphia Regional Service Center. The processing of individual income tax returns and declarations of estimated income tax for the Atlanta region was transferred from the Midwest Service Center to the Atlanta Regional Service Center during the second half of fiscal 1963.

Automatic data processing.—Conversion to the automatic machines, for processing tax returns, installed during fiscal 1962 on a carefully phased basis with major attention being given to avoiding adverse effects on employees to be redeployed, is proceeding on schedule. After one year of experience in processing business returns under the master file concept, the operations of the Atlanta center were expanded in fiscal 1963 to process individual income tax returns. The Philadelphia Regional Service Center began processing business returns in January 1963.

The system already has demonstrated its capabilities and worth by protecting the revenue and insuring fairer distribution of the tax burden. This has been accomplished by detecting failures to file required tax returns, detecting instances of multiple filing of overpayment returns by the same taxpayer, and mechanically applying overpayments, otherwise refundable, against outstanding taxes due from the claimants.

Enforcement activities

To strengthen the self-assessment system and to promote voluntary compliance the Service expends a substantial amount of its resources on enforcement activities. These activities consist of correcting errors in tax liability on returns voluntarily filed, securing delinquent returns, collecting past due taxes, investigating cases in which there is evidence or allegation of fraud, and enforcing the laws pertaining to alcohol and tobacco products and firearms. The Service also administers a taxpayer appeals system, processes civil litigation cases and those involving criminal prosecution, and conducts the Federal-State cooperative exchange program and the tax program abroad.

Examination of returns.—During the 1963 fiscal year 3.8 million returns were examined, an increase of 11 percent over 1962. The expanded use of correspondence audit techniques was a major factor responsible for this increase.

Type of return	In thousands of returns	
	1962	1963
Income tax:		
Corporation	r 129	148
Individual and fiduciary	3,120	3,495
Total income tax	3,249	3,644
Estate and gift taxes	30	30
Excise and employment taxes	195	175
Grand total	r 3,475	3,849

r Revised to include all examined exempt organization returns on basis consistent with 1963 data.

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The 3.8 million examinations resulted in over $2.1 billion of recommended additional tax and penalties, an increase of $275.8 million over last year. This is the first year that recommended tax deficiencies have exceeded $2 billion.

Mathematical verification.—Approximately 57.5 million individual income tax returns were mathematically verified during the fiscal year 1963, a decrease of 1.3 million, or 2.2 percent, from the preceding year. The number of error cases disclosed by this process was 2.4 million, about the same as in 1962. The number with tax increases rose 1.6 percent, while the number of returns with tax decreases dropped 5.6 percent. The average tax increase was $95 and the average decrease $79. The aggregate tax increase was $148.1 million, compared with $140.3 [r] million in 1962, while tax decreases totaled $69.4 million, compared with $69.0 million in the fiscal 1962.

The rise in the amount of tax increases is attributed in part to the more comprehensive mathematical verification of individual returns processed for the first time by the ADP system in the Atlanta region during the latter half of fiscal 1963.

Delinquency investigations and delinquent returns secured.—During the fiscal year 1963 the Service secured 981,000 delinquent returns reflecting $186.6 million of previously unreported tax. This was an increase of 46,000 delinquent returns and $22.1 million over last year. Over 1.7 million delinquency investigations were conducted, an increase of 17.1 percent over the record number of 1.5 million in 1962.

The Service made a special effort this year to achieve optimum enforcement of the highway use tax through the examination of both internal and external source records. A record number of 140,000 delinquent highway use tax returns representing $21.2 million were secured.

In addition, in examining tax returns, district audit divisions secured 61,000 delinquent returns compared with 73,000 in 1962. Tax and penalties on these returns amounted to $48.7 million, an increase of 24 percent.

Summary of additional tax from direct enforcement.—Additional tax, penalties, and interest assessed in 1963 as a result of direct enforcement activities totaled $2.2 billion, a new record. The following table gives detailed amounts of additional tax from direct enforcement during the last two fiscal years.

Sources	In thousands of dollars	
	1962	1963
Additional tax, interest, and penalties resulting from examination	r 1,627,604	1,859,975
Increase in individual income tax resulting from mathematical verification	r 140,294	148,113
Tax, interest, and penalties on delinquent returns	203,679	235,267
Total additional tax, interest, and penalties	r 1,971,577	2,243,356
Claims disallowed	n.a.	1,080,794

r Revised.
n.a. Not available on a comparable basis.

r Revised.

Tax fraud investigations, indictments, and convictions.—The Service placed special emphasis during fiscal 1963 on investigating tax law violations involving political corruption and organized crime. The drive against organized crime was, as last year, closely coordinated with the Department of Justice.

Preliminary investigations totaled 10,873, compared with 10,229 in 1962; full-scale investigations totaled 3,648, compared with 3,469 last year. Prosecution was recommended in 2,208 cases, 80 more than in 1962. Indictments were returned against 1,856 defendants in 1963, an increase of 154 over the 1,702 indictments returned in 1962. In cases reaching the courts, 1,117 pleaded guilty or *nolo contendere*, 176 were convicted, 73 acquitted, and 230 cases were dismissed. These compare with 1,013 pleas of guilty or *nolo contendere*, 178 convictions, 65 acquittals, and 181 dismissals in the preceding year.

Special agents of the Service continued to conduct nationwide coordinated raids, as well as independent raids, against violators of the wagering tax laws, making raids at 696 locations throughout the country. As a result, 939 persons were arrested and $377,000 in currency and 188 automobiles were seized. A nationwide raid was also made against violators of the coin-operated gaming device tax law.

The number of convictions in the past ten fiscal years (excluding those for alcohol, tobacco, and firearms tax violators) is shown in the following table.

Fiscal year	Number of individuals convicted
1954	1,291
1955	1,339
1956	1,572
1957	1,256
1958	1,096
1959	909
1960	1,086
1961	1,231
1962	1,191
1963	1,293

Alcohol and tobacco tax administration.—Intensive concentration on the perfection of criminal cases under the major violator program against the principals responsible for large-scale illicit distilling activities resulted in effective prosecution and trial action in most areas. During the year, 591, or approximately 37 percent, of the 1,573 listed major violators were arrested or indicted. The mandatory preventive raw materials program continues to be an important adjunct to the law enforcement effort. Through this program the Service prevents to a considerable extent illicit distillers from obtaining sugar, yeast, and containers essential to the production and packaging of nontaxpaid spirits.

Fourteen southern States accounted for 92.6 percent of the stills and 95.3 percent of the mash seized in 1963. Seizures in all categories declined, with the exception of nontaxpaid wines. The volume of mash seized in the country as a whole, a significant index of the trend of illicit production, decreased 9.7 percent, as shown in the following table.

Fiscal year	Number of stills seized	Gallons of mash seized	Number of arrests made [1]
1940	10,663	6,480,200	25,638
1945	8,344	2,945,000	11,104
1950	10,030	4,892,600	10,236
1955	12,509	7,375,300	10,545
1956	14,499	8,643,200	11,380
1957	11,820	6,756,600	11,513
1958	9,272	5,140,800	11,631
1959	9,225	4,655,600	10,912
1960	8,290	4,274,400	10,376
1961	6,826	3,669,500	9,503
1962	6,886	3,424,500	9,126
1963	6,213	3,092,600	8,507

[1] Includes arrest for firearms violations and, beginning 1955, tobacco tax violations. Arrest involving these two classes of violations during 1963 numbered 358 and 2, respectively.

Pilot operations initiated late in fiscal 1962 and completed this year demonstrated the feasibility of further improvements in the methods used by the Government to supervise distilled spirits plants. Using the new procedures as guidelines, a nationwide survey was made of inspector (on-premises) manpower requirements. Study of the results indicates, in certain regions, the possibility of eliminating a limited number of inspector (on-premises) positions as they become vacant. During periods of peak activity, increased use would be made of inspectors (general) for on-premises supervision. The policy of not filling vacancies, except for emergency situations, resulted in savings of approximately 59 man-years in inspector positions.

This year quality inspections, utilizing additional audit techniques, were emphasized. At the beginning of the year, regions were authorized to select premises to be inspected in accordance with indicated needs, rather than by rigid schedule. As a result the scope and depth of selected inspections increased materially. In the closing months of the year, all regions concluded field tests of a proposed brewery inspection handbook. Time devoted to these tests and increased use of audit techniques in inspections contributed to a slight increase in man-days per inspection and a corresponding decrease in number of inspections completed, from 32,260 in 1962 to 28,966 this year.

Collection of past-due accounts.—Nearly 2.9 million accounts became past due in the fiscal year 1963, 9.7 percent less than in 1962. However, the amount of delinquent tax involved, $1,475 million, was $21.2 million more in 1962 principally relating to a few very large accounts.

Emphasis on reducing inventories was continued with particular attention given to closing large accounts. At the end of June 968,000 past-due accounts were pending, a reduction of 8.4 percent from last year. Delinquent taxes aggregated $1,041 million, only $4.8 million more than last year.

The decrease in new accounts is attributable in part to the effectiveness of the revised procedures initiated in fiscal 1962 for collecting trust fund taxes. Under these procedures, employers and excise taxpayers are communicated with quickly whenever they fail to pay the tax due on returns filed or fail to purchase depositary receipts evidencing timely payment of employment or excise taxes. Additional taxpayers were brought under the revised procedures this year and a larger number of accounts were closed while in notice status (before past-due accounts were established).

Appeals and civil litigation.—District audit divisions upon request from taxpayers referred 17,774 prestatutory notice income, estate, and gift tax cases to regional appellate divisions. This was an increase of 2,261 cases, or 14.6 percent, over the 15,513 referred to appellate divisions last year. The appellate divisions disposed of 16,339 prestatutory notice and poststatutory notice cases in fiscal 1963, compared with 14,921 in fiscal 1962. Inventory of both types of cases in appellate divisions on June 30, 1963, was 13,812, compared with 11,805 the previous year. Petitions filed in the Tax Court of the United States numbered 5,247, compared with 4,752 filed in 1962. The Supreme Court decided 9 tax cases, wholly sustaining the Government's position in 8 of them and deciding the ninth case partly for and partly against the Government. The circuit courts of appeals decided 349 tax cases (exclusive of bankruptcy, receivership, insolvency, compromise, and liquor cases). The Government's position was supported in 229 of these cases.

Taxpayers who have paid a disputed tax may sue for refund in the Court of Claims or in a U.S. district court. This year the district courts decided 166 cases for the Government, 200 for the taxpayer, and 56 partly for the Government and partly for the taxpayer. The Court of Claims decided 34 cases for the Government, 12 for the taxpayer, and 18 partly for each.

International activities

The overseas affairs of the Internal Revenue Service fall into three broad areas: Technical assistance to developing countries in the strengthening and modernization of their tax systems; participation in the negotiation of tax conventions with foreign governments and the preparation of regulations under these pacts; and the administration of Federal tax laws affecting mainly U.S. citizens and business organizations abroad.

Foreign Tax Assistance Staff.—Following the pledge of the Secretary of the Treasury at Punta del Este in 1961, the Internal Revenue Service organized a program to extend technical assistance for tax administration modernization to developing foreign countries. Responsibility for the program is vested in the Foreign Tax Assistance Staff in the Office of the Commissioner of Internal Revenue. The Staff's activities are conducted in close collaboration with the Agency for International Development of the U.S. Department of State. The Service's immediate efforts are oriented mainly to Latin America under the Alliance for Progress, although several countries in other parts of the world have requested and are receiving assistance.

One major phase of the overall program deals with the selection of teams of tax specialists, not only from within the Service but also from selected State and local governments, for overseas assignment at the invitation of foreign countries. The activities of these teams range from broad surveys of existing tax administrations and recommendations for improvement to long-term programs for assisting tax officials of foreign governments in devising and installing tax administration modernization. The second effort involves arrangements for foreign tax officials to observe and study in the United States the organization and operation of the Service. During 1963 the Service received over 200 foreign visitors from more than 35 countries.

Tax conventions.—Discussions took place abroad with four countries working toward the conclusion of one new income tax convention and three conventions supplementing those already in existence. The texts of such agreements were in various stages of development at the close of the fiscal year.

A supplementary protocol to the Japanese income tax convention was signed on August 14, 1962, and an income tax convention with Luxembourg on December 18, 1962.

The proposed income tax conventions with India, Israel, the United Arab Republic, and Luxembourg, as well as the proposed supplementary protocols modifying the convention with Japan, were pending ratification in the U.S. Senate on June 30, 1963.

International operations.—The Office of International Operations is responsible for administering the internal revenue laws outside the United States and U.S. tax treaties with foreign countries.

In addition to the operation of foreign posts at Paris, France, London, England, Ottawa, Canada, Mexico City, Mexico, Sao Paulo, Brazil, and Manila, Philippine Republic, the Service conducted a taxpayer assistance and educational program to promote greater voluntary compliance by aliens subject to tax in the United States and by U.S. citizens abroad. Under this program, 13,134 persons were assisted and 3,583 returns were actually prepared reporting a total tax of $915,284. Revenue agents traveled in excess of 110,000 miles, visiting 98 cities in 51 foreign countries. Agents also conducted 11 schools for military tax instructors who assisted armed forces personnel stationed overseas.

Planning activities

Planning is an integral part of tax administration and is accomplished at every organizational level of the Service. The long-range plan is the vehicle that translates all planning into a comprehensive system thereby producing a synthesis of program requirements, operational capabilities, and resources under different time frames which provide top management with a framework of carefully developed priorities for decision making.

The purpose of a tax system is to guarantee the longrun fiscal soundness of the policies and programs of government. The purpose of tax administration is to implement the tax system fully. For the long run, this means collecting all of the legislated taxes at least cost. In the short run, it means maximizing the revenue collectible with the resources the Government makes available to the administrator. Attainment of these objectives requires the development of an overall plan which includes both the strategy of long-range planning and tactical current-year operational plans or programs that are consistent with the long-range plan.

Long-range planning.—The long-range plan is a coordinated action program designed by all components of the Service to eliminate operating deficiencies and anticipate and prepare for the future needs of an adequate tax administration system. It constitutes the Service's basic planning document and provides the foundation for the development of the Service's work plans and budget requests.

The Service's long-range plan was initiated in 1959 and is updated each year. The 1963 edition, developed by the national office in

conjunction with regional and district officials, covers the 10-year period from 1961–70. It includes objectives for all of the operational aspects of the Revenue Service, together with estimates of the manpower requirements and costs to reach desired objectives. It also includes estimated tax yields resulting from increased enforcement effort.

In order to develop the plan most effectively, more detailed information must be obtained in a number of problem areas where information is inadequate. These areas involve: The size and nature of the total tax administration workload; the portion of the total tax administration job that is accounted for by current operations; the portion of the total tax administration job that is left undone, or the gross tax administration gap; the degree of taxpayer compliance; changes in the degree of taxpayer compliance, and whether compliance is increasing or decreasing under existing programs; the effectiveness with which current operations are being conducted; and the net tax administration gap, or that portion of the gross tax administration gap that is worth closing.

To obtain data relating to these areas, the Service has developed a taxpayer compliance measurement program (TCMP), which will provide new information in at least three areas: Delinquent accounts; delinquent returns; and correctness of returns filed. The informational aspects of TCMP include bringing together and coordinating all information required to measure the dimensions of Federal tax administration workloads, their trends and projections; the related requirements, such as manpower, training, equipment, and buildings; and the basic economics involved, such as costs, direct and indirect tax yields, and improvements in existing cost-yield ratios. TCMP is the Service's long-range research program designed to provide the information needed to implement the Service's long-range plan and maximize Federal tax administration.

Resources utilization.—On December 17, 1962, the Committee on Resources Utilization submitted its report to the Commissioner. The report contained recommendations relating to the organization and procedures of both national and field offices. By the end of the fiscal year action had been taken on those recommendations which concerned the organization of the field offices (see *Realignment of field offices* under Major management improvements).

The Service is currently making plans to establish a permanent resources utilization program with coordination responsibility centralized in the office of the Deputy Commissioner. Under this program, selected divisions of the national office would undertake regular programs of research and analysis to assist the Commissioner in evaluating the activities and costs of the Service, and in allocating resources among them. Also, manpower utilization would receive increased emphasis in the national office review program, and the several management development programs.

Systems review and coordination.—Continuing attention was given to the modernization of tax administration through the planning and design of total systems for implementing legislation and for improving current or proposed programs. Systems development projects during fiscal 1963 included: The introduction of advanced equipment; new uses in tax administration for it; systems studies not involving such

equipment; public compliance aspects of tax administration systems; and advisory and educational activities.

Current research program.—Research activities were both accelerated and broadened in order to meet expanding demands. The needs for analysis of administrative facets of current legislative proposals continued to absorb a major portion of research resources. Increasing consideration was given to internal management and operating problems, which stemmed from two sources: the planning necessary for following up various aspects of the 1962 tax legislation, and the problems encountered in the wake of expanded application of the automatic data processing system.

Numerous studies of the administrative impact of 1963 proposals for new tax legislation included such matters as changes in the treatment of deductions, optional tax tables, withholding methods, and averaging of fluctuating incomes.

Expanded information reporting for interest, dividends, and patronage dividends, required by the Revenue Act of 1962, focused attention on the need for new, integrated techniques for achieving more effective utilization of all information documents. An experimental program has been developed to provide streamlined techniques to resolve apparent discrepancies resulting from mass computer comparisons of information documents and tax return data and to furnish a comprehensive system of compliance followup. Additionally, plans are being developed for utilizing information returns from domestic owners of five percent or more of stock of foreign corporations.

Major management improvements

Benefits from management improvements.—Increased stimulation and leadership in management improvement efforts resulted in an alltime record of over $11.6 million in annual recurring savings in 1963. Many additional management improvement actions not readily adaptable to measurement in monetary savings released substantial manpower and other resources for use in more critical areas. All savings, both tangible and intangible, resulting from management improvement projects are channeled into work areas where the application of additional manpower serves to strengthen the enforcement effort, reduce backlogs, and improve taxpayer service. These savings reflect a cooperative effort spearheaded by top management officials actively supporting the objectives of the management improvement program.

Realignment of field offices.—The Secretary of the Treasury gave final approval on May 17, 1963, to the following field office realignment plan, effective January 1, 1964:

(1) Reduction in the number of regions from 9 to 8. This was accomplished by combining the Chicago and Omaha regions and redistributing certain districts to the Dallas, Cincinnati, and Philadelphia regions.

(2) Reduction in the number of districts from 62 to 58. This was accomplished by merging the Camden District into the Newark District, the Syracuse District into the Buffalo District, the Kansas City District into the St. Louis District, and by dividing the Scranton District between the Philadelphia and Pittsburgh districts.

When completed, the realignment is expected to yield recurring annual savings of approximately $3.5 million with no decrease in taxpayer services or overall effectiveness.

A program was initiated to reduce supervisory and administrative costs in the districts, particularly in the smaller ones, to minimum operating requirements.

Other management improvement actions.—Other significant accomplishments, resulting in tangible savings, were initiated in 1963. For example, training programs were streamlined to the extent that $1.9 million will be diverted to productive enforcement activities each year. A continuing review of reporting requirements to insure quality reports at the least possible cost resulted in redirecting manpower worth $1.4 million.

The Service seeks to keep its managers informed of new and improved methods by participation in management courses, seminars, and institutes. In 1963 approximately 125 officials attended such outside training sessions. In addition, the administrative intern program, designed to recruit and train promising participants for highly responsible positions, stresses the importance of management improvement in formal courses and on-the-job training.

Personnel

The personnel administration program was emphasized by improving manpower utilization and maintaining high employee morale. Significant changes and innovations were made in the incentives awards program, and continued progress was made in ADP redeployment, the equal employment opportunity program, and employee-management relations.

At the close of the fiscal year 1963 employees on the rolls numbered 59,486, compared with 56,510 a year earlier. There were 3,561 employees in the national office and 55,925 employees in field offices including service centers, regional, district, and local offices, and in the Office of International Operations.

Training

Legislation enacted on October 23, 1962 (26 U.S.C. 7516) provides that representatives of local, State, and foreign governments may participate in Internal Revenue Service training courses. With the assistance of the National Association of Tax Administrators explorations were begun to determine to what extent and on what basis the Service can assist State governments in meeting their tax enforcement training needs.

A program of tax administration orientation for foreign tax officials was launched to make official visits of foreign tax officials more meaningful and helpful. The program developed by the Foreign Tax Assistance Staff and the Training Division includes presentations by the Commissioner and other top officials. Approximately 50 foreign tax officials from 25 nations participated during the year.

During fiscal 1963 funds were set aside for the first regional experimental training center in San Francisco. This installation will be established in 1964. Establishment of a national experimental training center awaits only the availability and selection of an appropriate site.

The Commissioner's Committee, set up in 1962 to survey training needs in the collection enforcement area, submitted a report proposing a comprehensive career training plan. Action was immediately begun to implement the Committee's recommendations.

In June 1963 a committee of four distinguished training consultants, appointed by the Secretary of the Treasury to review the total training effort of the Service, submitted its report. It described the program as a whole as "very commendable" and made a number of recommendations for further improvements.

Space

Most regional and district offices are now in, or have firm commitments for, good space. Many of those offices having firm commitments for new space will move during the fiscal year 1964; others are awaiting the completion of new Federal office buildings and will move during the next two or three years. Additional space was obtained for 209 offices to relieve crowded conditions and accommodate staff expansion. The following offices were moved into new or modernized buildings: Birmingham, Toledo, Burlington, Hartford, Parkersburg, Philadelphia, and Jacksonville. Construction was begun on a 21-story, 374,000 square foot leased building to house approximately 3,000 employees in the Manhattan District. Progress is also being made toward correcting acute space problems of the offices in Chicago, Wilmington, Miami, Brooklyn, Cincinnati, Denver, San Francisco, Seattle, Dallas, Hollywood, and Aberdeen. This is particularly significant in that in mid-1961 comparatively few Service offices were properly housed.

Inspection activities

Internal audit.—An annual independent review and appraisal of Service operations as a protective and constructive service to the Commissioner and all other levels of management is carried out through the internal audit program. All field organizations and activities are covered by internal audit to determine whether policies, practices, procedures, and controls adequately protect the revenue and are being efficiently and effectively carried out. Expansion of the automatic data processing activity has increased the internal audit responsibilities of the inspection function. Emphasis in the Internal Audit Division is placed on examination of the Service functions which are most closely connected with collection of the revenues and enforcement of tax laws, and on coordination with the Internal Security Division to carry out the integrity program of the Service.

This year 355 internal audit reports were issued compared with 303 in 1962. The increase was caused primarily by the separate reporting on audits of the organized crime drive functions of the intelligence activities.

Internal security.—Successful administration of the voluntary self-assessment system of taxation depends a great deal on integrity of taxpayers and their representatives as well as integrity and impartiality among officials and employees of the Service. The Service continued the vigorous efforts started in 1962 to promote understanding among its employees, taxpayers, and practitioners regarding

the importance of integrity and the need to expose corruption wherever discovered.

Forty-six cases of actual or suspected bribery by taxpayers or their representatives were reported by Service employees to Inspection. Investigations resulted in indictments of 10 taxpayers or their representatives, and additional prosecutions are contemplated in a number of pending cases. This makes a total of 20 persons indicted for attempting to bribe Internal Revenue employees during the past two years. To date 15 have been convicted.

Investigations completed during the year totaled 10,011 which was 11.8 percent more than in the preceding fiscal year. This is the highest number completed in the 11-year history of Inspection. In addition, police checks were made on 3,413 employees given short-term temporary appointments.

Enrollment of practitioners

The Office of the Director of Practice continued its program of revitalization, which resulted in various changes in regulations governing practice, a modification of the special enrollment program, and increased vigilance with respect to the ethics of all types of practitioners.

In order to conform the eligibility requirements for practice more closely with the various State rules governing qualification for practice of law and accounting, certain sections of Treasury Department Circular 230 were amended.

The annual cost to the Treasury Department of enrolling persons to practice before the Internal Revenue Service by means of a Special Enrollment Examination has been more than double the receipts obtained from examination candidates in recent years. Since Congress has decreed that such programs, insofar as possible, shall be self-sustaining and that fees charged shall be equitable in relation to the costs involved, it was determined that candidates will be charged an examination fee of $25.

A normal decrease occurred in the number of enrollment cards renewed in 1963, compared with 1962, which was the second peak year of the cycle established in 1952 for periodic renewal of enrollment cards at five-year intervals. Of those who enrolled or who renewed their cards in 1958, about 3,200 did not renew in 1963. Initial applications for enrollment approved this year totaled 6,782, approximately 1,000 more than the year before. On June 30, 1963, approximately 73,500 persons were enrolled to practice before the Service.

Office of International Affairs

Treasury Department Order No. 198, effective October 15, 1962, established the Office of International Affairs in the Treasury Department as a separate administrative unit within the Office of the Secretary, succeeding the Office of International Finance. The Office of International Affairs includes six major constituent units: The Office of Balance of Payments, the Office of International Financial Policy Coordination, the Office of International Economic Ac-

tivities, the Office of Industrial Nations, the Office of Developing Nations, and the Office of Latin America. (See exhibit 41.)

The Office of International Affairs advises and assists the Secretary of the Treasury and other senior departmental officials in the formulation and execution of policies and programs relating to the responsibilities of the Treasury Department in the international economic, financial, and monetary fields.

By direction of the Secretary, the responsibilities of the Office of International Affairs include the Treasury's activities in relation to international financial and monetary problems, covering such matters as the U.S. balance of payments, the convertibility of currencies, exchange rates and restrictions, the operation of the U.S. Exchange Stabilization Fund and the extension of stabilization credits; international aspects of gold and silver policy; the Bretton Woods Agreements Act, and the operations of the International Monetary Fund, the International Bank for Reconstruction and Development, the International Finance Corporation, the International Development Association, and the Inter-American Development Bank; foreign lending and assistance; the Organization for Economic Cooperation and Development and its committees, and the North Atlantic Treaty Organization.

The responsibilities of the Office of International Affairs also include activities of the Treasury in relation to the National Advisory Council on International Monetary and Financial Problems. The Secretary of the Treasury is Chairman of the Council, which was established in 1945 by the Bretton Woods Agreements Act (22 U.S.C. 286b) in order to coordinate the policies and operations of the U.S. representatives on the International Monetary Fund, and the International Bank, and of all the agencies of the Government which make or participate in making foreign loans or which engage in foreign financial, exchange, or monetary transactions. The acts authorizing U.S. membership in the International Finance Corporation, the International Development Association, and the Inter-American Development Bank also provide for the coordination by the National Advisory Council of the policies and operations of the U.S. representatives to these institutions.

The Office also acts for the Treasury on the financial aspects of international treaties, agreements, and organizations in which the United States participates, and takes part in negotiations with foreign governments with regard to matters included within its responsibilities. It assists the Secretary on the financial aspects of international trade matters.

The Office of International Affairs advises Treasury officials and other departments and agencies of the Government concerning exchange rates and other financial problems encountered in operations involving foreign currencies. In particular, it advises the Department of State and the Department of Defense on financial matters related to their normal operations in foreign countries and on the special financial problems arising from defense preparation and military operations. In conjunction with its other activities the Office

studies the financial policies of foreign countries, their exchange rates, balances of payments, capital flows, and other related problems. It assists the Secretary, in his capacity as Chairman of the Cabinet Committee on the Balance of Payments, in review for the President of the entire range of administration programs and policies for achieving a lasting equilibrium in the U.S. balance of payments and for assuring a strong international payments system, and prepares reports to the President on the balance-of-payments situation and on administration measures in this area.

The Office administers the Treasury foreign exchange reporting system. The reporting system collects through the Federal Reserve Banks statistical data on capital movements between the United States and foreign countries.

Bureau of the Mint[1]

The major functions of the Bureau of the Mint are the manufacture, distribution, and redemption of domestic coins; the receipt, processing, custody, disbursement, and movement of gold and silver bullion; the manufacture of medals of a national character and special medals for other U.S. Government agencies; the manufacture of foreign coins; and other technical services.

The Director of the Mint, with offices in Washington, D.C., administers and supervises all activities of the Bureau. In fiscal 1963 six field institutions were in operation: The Philadelphia and Denver mints; the New York City and San Francisco assay offices; the silver bullion depository in West Point, N.Y., which is an adjunct of the New York Assay Office; and the gold bullion depository in Fort Knox, Ky. Legislation approved July 11, 1962 (31 U.S.C. 261) authorized that the official designation of the San Francisco institution be changed to the United States assay office at San Francisco. Electrolytic refineries for refining precious metals are located in the Denver Mint and the New York Assay Office, and Denver performs assays for the public. The engraving, the proof coin, and medal production divisions are in Philadelphia. Uncirculated coin sets are packaged in San Francisco.

Domestic coinage

The production of U.S. coins totaled 3.6 billion pieces with face value of $161.7 million in the fiscal year 1963, exceeding last year's alltime record. The Denver Mint operated three shifts per day and the Philadelphia Mint, two shifts, with a partial third shift. At times both plants operated six days a week. The finished coins were shipped for circulation as soon as they were available and no inventory was built up at either mint during the year.

[1] Additional information is contained in the separate *Annual Report of the Director of the Mint.*

Production of U.S. coins, fiscal 1963

Denomination	Number	Face value	Standard gross weight	Distribution (based on pieces)	Metallic composition
	In millions		Short tons	Percent	
1-cent pieces	2,561.1	$25.6	8,780	70	95% copper, 5% zinc and tin.[2]
5-cent pieces	407.7	20.4	2,247	11	75% copper, 25% nickel.
Dimes	449.0	44.9	1,238	12	900 parts silver, 100 parts copper.
Quarter dollars	164.5	41.1	1,133	5	Do.
Half dollars	59.4	29.7	818	2	Do.
Total	[1] 3,641.6	161.7	14,216	100	

[1] Includes 3,009,583 sets of proof coins manufactured at Philadelphia.
[2] Tin was eliminated from the bronze alloy after September 5, 1962 (31 U.S.C. 317).

Foreign coinage

The Philadelphia Mint manufactured coins for three foreign governments during fiscal 1963, as shown in the following table.

Foreign coinage by the Philadelphia Mint, fiscal 1963

Government	Denomination	Number of coins produced (in millions)	Metallic composition
El Salvador	5 centavos	10	75% copper, 25% nickel (cupronickel).
Ethiopia	10 cents	20	95% copper, 5% zinc (bronze).
	5 cents	5	Do.
Total		25	
Philippines	10 centavos	100	70% copper, 18% zinc, 12% nickel (German silver).
	1 centavo	160	95% copper, 5% zinc (bronze).
Total		260	
Grand total		295	

Issue and stock of coins

The mints issue coins for general circulation through the facilities of the 12 Federal Reserve Banks and their 24 branches and the Office of the Treasurer of the United States in Washington, D.C. These 37 facilities deliver the coins to the commercial banks which place them in actual circulation. Proof coins and uncirculated coins are packaged in sets and sold directly to the public by the mint offices. All of the subsidiary silver and minor coins produced in fiscal 1963 were issued during the year, as were 46.8 million standard silver dollars from earlier mintings.

Denomination	Issue of U.S. coins [1]			
	Number	Face value	Standard gross weight	Distribution (based on pieces)
	In millions		Short tons	Percent
1-cent pieces	2, 561. 1	$25. 6	8, 780	69
5-cent pieces	407. 7	20. 4	2, 247	11
Dimes	449. 0	44. 9	1, 237	12
Quarter dollars	164. 5	41. 1	1, 133	5
Half dollars	59. 4	29. 7	818	2
Silver dollars	46. 8	46. 8	1, 379	1
Total	3, 688. 4	208. 5	15, 594	100

[1] Includes the sales of 3,009,782 sets of proof coins. A set consists of one coin of each denomination currently minted (1¢, 5¢, 10¢, 25¢, and 50¢). Includes also the sales of uncirculated coin sets. A set consists of one coin of each denomination currently minted at each mint.

The total stock of domestic coins in the United States, estimated by the Office of the Director of the Mint, is divided into three groups: Minor coins (1 and 5 cent pieces); subsidiary silver (dimes, quarter dollars, and half dollars); and standard silver dollars. A comparison of the stock at the close of the fiscal years 1962 and 1963 and the net change during the 12-month period is summarized as follows:

Stock of U.S. coins	Face value (in millions)		
	June 30, 1962	June 30, 1963	Increase, or decrease (−)
Minor coins	$636. 0	$681. 8	$45. 8
Subsidiary silver coins	1, 710. 8	1, 824. 9	114. 1
Silver dollars	487. 4	486. 0	−1. 3
Total	2, 834. 1	2, 992. 7	158. 5

Gold transactions

The monetary stocks of gold bullion held for the Treasury in the Philadelphia and Denver mints, the New York and San Francisco assay offices, and the Fort Knox Depository showed a net decrease of 22.9 million ounces, valued at $801.8 million, between June 30, 1962, and June 30, 1963. Opening and closing holdings and the receipts and issues during the year are shown in the following table.

Gold holdings and transactions (excluding intermint transfers[1])	Quantity: Short tons	Quantity: Fine ounces (In millions)	Value at $35 per ounce (In millions)
Holdings on June 30, 1962	15,859	462.5	$16,189.2
Receipts in fiscal year 1963:			
Newly mined domestic gold	27	.8	27.7
Scrap gold from domestic sources	14	.4	14.0
Foreign and other miscellaneous deposits	165	4.8	169.0
Total receipts	206	6.0	210.7
Issues in fiscal year 1963:			
Sales for domestic industrial, professional, and artistic use	99	2.9	100.9
Exchanges for scrap gold	2	.1	2.2
Exchanges for other than scrap gold	36	1.0	36.4
Other monetary issues	855	24.9	873.0
Total issues	992	28.9	1,012.5
Holdings on June 30, 1963	15,073	439.6	15,387.4
Net decrease in holdings	786	22.9	801.8

[1] Intermint transfers amounted to 23.1 million ounces (792 tons) valued at $808.8 million during fiscal 1963.

Silver transactions

The mints and assay offices received a total of 4,799.9 thousand fine ounces of silver bullion from various sources during the fiscal year 1963. Of this amount, 911.4 thousand ounces were returns of lend-lease silver by the Government of Pakistan and 13.4 thousand ounces by the Government of India. Uncurrent U.S. silver subsidiary coins melted for recoinage provided 890.8 thousand fine ounces of silver and uncurrent U.S. silver dollars, 592.6 thousand fine ounces. Newly mined domestic silver received under the act of July 31, 1946 (31 U.S.C. 316d) amounted to 18.3 thousand ounces. Deposits in exchange for bars and other miscellaneous items totaled 2,373.4 thousand ounces.

The Philadelphia and Denver mints processed a total of 83,623.7 thousand fine ounces of silver into U.S. half dollars, quarter dollars, and dimes during the fiscal year. Of this amount, 82,049.7 thousand ounces of bullion was made available by the retirement of five and ten dollar silver certificates under the Presidential directive of November 28, 1961, and implementing legislation enacted on June 4, 1963 (77 Stat. 54). See exhibit 39. Recoinage silver yielded by the melting of uncurrent U.S. coins provided the remainder of coinage silver with 890.8 thousand ounces from subsidiary silver coins and 683.2 thousand from silver dollars. Sales for industrial use at $1.29+ per ounce amounted to 2,098.2 thousand ounces and other miscellaneous issues amounted to 2,267.6 thousand ounces. Stocks of silver held in the mints, assay offices, and the West Point Depository reflected a net decrease of 83,189.5 thousand ounces from June 30, 1962, to June 30, 1963, accounted for as follows.

Silver bullion holdings and transactions (excluding intermint transfers)	Quantity[1]	
	Fine ounces (in millions)	Short tons
Holdings on June 30, 1962	1,660.0	56,915.7
Receipts in fiscal year 1963:		
Lend-lease silver from foreign governments	.9	31.7
Newly mined domestic, act of July 31, 1946 (31 U.S.C. 316d)[2]	(*)	.6
Recoinage bullion from uncurrent U.S. silver coins	1.5	50.9
Deposits in exchange for fine bars	2.1	72.3
Other miscellaneous receipts	.3	9.1
Total receipts	4.8	164.6
Issues in fiscal year 1963:		
Manufactured into U.S. subsidiary silver coins	83.6	2,867.1
Sales for domestic industrial use at $1.29+	2.1	71.9
Other miscellaneous issues	2.3	77.8
Total issues	88.0	3,016.8
Holdings on June 30, 1963	1,576.8	54,063.5

*Less than 50,000 ounces.
[1] Does not include 64.7 million fine ounces (2,220 tons) of Treasury silver held by other agencies of the U.S. Government.
[2] Legislation repealed by the act of June 4, 1963 (77 Stat. 54).

Revenue and monetary assets and liabilities

Revenue deposited by the Bureau of the Mint into the general fund of the Treasury totaled $47,707.5 thousand in the fiscal year 1963, with seigniorage accounting for $44,896.0 thousand and various other items the remaining $2,811.5 thousand. Seigniorage on 2,968,798.7 thousand minor coins manufactured amounted to $38,050.3 thousand and on 672,823.1 thousand silver subsidiary coins manufactured, $6,839.1 thousand. Seigniorage amounting to $6.7 thousand resulted from the revaluation of 17,188 fine ounces of newly mined domestic silver bullion from cost to monetary value as security for silver certificates.

Monetary assets and liabilities of the mint institutions on June 30, 1962, and June 30, 1963, are compared in the following statement.

Item	In millions	
	June 30, 1962	June 30, 1963
Assets		
Gold bullion	$16,189.2	$15,387.4
Silver bullion	2,129.5	2,021.5
Silver coin	66.8	20.4
Minor coin	.2	.2
Minor coinage metal, etc	1.0	.9
Total assets	18,386.7	17,430.3
Liabilities		
Bullion fund	18,385.6	17,429.4
Minor coinage metal fund	.6	.4
Other miscellaneous	.5	.6
Total liabilities	18,386.7	17,430.3

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Management improvement

The management improvement program of the Bureau of the Mint was greatly accelerated during fiscal 1963. As a result of the large increase in coinage requirements during the past several years and the consequent coin shortages despite recordbreaking production, arrangements were made for an objective survey of mint facilities, operations, and requirements, by a private management engineering consulting firm. The survey, which extended to January 16, 1963, was sponsored by the Bureau of the Budget, with funds provided by the President's Management Improvement Fund. The final report was made to the Bureau of the Budget on February 11, 1963. It pointed up, among other things, that present minting facilities are completely inadequate to produce the quantity of coins that will be needed in future years.

Coordinating the consulting firm's conclusions and recommendations with the Mint's own longtime study and experience, Mint officials took definite steps toward expansion of its facilities. Legislation designated "An act to authorize the construction and equipping of buildings required in connection with the operations of the Bureau of the Mint," was approved by the President August 20, 1963 (77 Stat. 129). It is planned to erect a new coinage mint in Philadelphia to replace the existing building there. One of the many factors governing this choice of location is the fact that about 70 percent of all coins manufactured are delivered to the banks nearest to Philadelphia. The new facilities contemplated will employ the most modern and efficient types of equipment available, and further substantial reductions in unit manufacturing costs are expected.

During fiscal 1963 management officials of the Bureau in Washington and the field continued intensive appraisal and review of day-to-day activities. The Director and members of the staff made frequent trips to the mints and assay offices to assist in expediting operations. Two daily shifts of employees in the mints were increased to three, and working days were extended from a five-day week to six and, for some operations, to seven days. Accordingly, the two mints, producing as many coins as possible with available manufacturing facilities and funds, established new domestic coinage records for the third successive year. These results were accompanied by reduced unit-manufacturing costs. The present cost of producing 1,000 coins of each denomination is less than one-half what it was in fiscal 1946, although annual wage increases have been granted to per diem employees since 1946, and costs of supplies, utilities, personnel benefits, etc. have increased proportionately. A special study of manpower utilization confirmed the fact that the Mint has achieved highly satisfactory results, but improvements are continuing. A great deal of attention was given to long-range plans for coinage, gold and silver deposits activity, and gold and silver refinery operations.

Improvements made at Philadelphia in 1963 resulting in annual recurring savings included a new improved type motor for the number one rolling mill, resulting in reduced maintenance costs and increased production, savings $5,000; a new ingot brushing machine, savings $500; an improved method of paying postage for the shipment of proof coins, savings $2,000; and the elimination of advices of ship-

ments of proof coins, with savings of $21,000. One-time savings of $36,000 were made by obtaining 150,000 yards of cotton duck cloth at one-half the usual price, and savings of approximately $60,000 from the purchase of other miscellaneous supplies and equipment. Denver acquired surplus property with a value of $6,800, including a fork lift, fire extinguishers, desks, and miscellaneous items. At New York, more efficient furnaces were installed in the melting and refining division, and new ducts and flues were installed over the deposit melting furnaces. Although monetary savings were negligible, a serious safety hazard has been eliminated, and in the event of future expansion in refinery operations monetary savings will result from the installation of the new furnaces. Under the Bureau's records management program, new plans for the orderly retirement of records were developed and a reduction in the need for filing cabinets resulted in one-time savings of $2,100. In summary, recurring annual savings amounted to $28,500, of which $5,500 is applicable to appropriated funds, with the other $23,000 applying to reimbursable operations. In addition, one-time savings amounted to $38,100, applicable to operations payable from appropriated funds. The savings relating to appropriation items were applied to offset partially increased costs of wages, supplies, and materials. The recurring savings in reimbursable operations increase profits derived from such operations, which are deposited as miscellaneous receipts in the general fund of the Treasury.

Gold and silver production and consumption in the United States

Statistics on U.S. gold and silver refinery production and industrial consumption are compiled by the Office of the Director of the Mint on a calendar year basis.

The refinery production of newly mined domestic gold totaled 1,556,000 fine ounces valued at $54,460,000 in 1962, compared with 1,566,800 fine ounces valued at $54,838,000 in 1961. Among the 16 States where gold was mined, South Dakota continued as the major producing State, accounting for 36.6 percent of the total. Utah ranked second, followed by Alaska, Arizona, and California.

The refinery production of newly mined domestic silver totaled 36,345,000 fine ounces in 23 States in 1962, compared with 34,900,000 fine ounces in 20 States in 1961. Idaho accounted for 46.8 percent of the total output with Arizona, Utah, Montana, and Colorado following.

Gold and silver issued for domestic industrial, professional, and artistic use in 1962 amounted to 3,576,000 fine ounces and 110,400,000 fine ounces, respectively. Comparative issues in 1961 were 2,775,000 ounces of gold and 105,500,000 ounces of silver.

Bureau of Narcotics [1]

The Bureau of Narcotics administers the Federal laws governing narcotic drugs and marihuana and carries out the responsibilities of the Government under the international conventions and protocols relating to these drugs.

[1] Further information is available in the separate report of the Bureau of Narcotics entitled, *Traffic in Opium and Other Dangerous Drugs for the Year Ended December 31, 1962.*

The Bureau supervises U.S. imports and exports of narcotic drugs as well as the manufacture and domestic trade in these drugs to prevent their diversion for abuse. It apprehends interstate and international violators of narcotic laws. It cooperates with State and local law enforcement authorities in the United States. At the request of law enforcement authorities in foreign countries Bureau agents assist in international narcotic trafficking investigations of mutual interest. These cooperative efforts have reduced the smuggling of illicit narcotics into this country.

Law enforcement

The major enforcement effort of the Bureau is directed against the international and interstate traffic in narcotic drugs and marihuana and the members of organized crime who are engaged in this traffic. Particularly significant was the August 1962 indictment in New York of 19 high echelon violators whom Justice Department officials credit with the introduction of heroin worth $100,000,000 into illicit channels in the United States during the years 1950–59. At the same time the Bureau cooperated with State and local authorities in reducing the retail traffic at the addict level.

Number of violators of the narcotic and marihuana laws prosecuted during the fiscal year 1963 with their dispositions and penalties [1]

	Narcotic laws								Marihuana laws			
	Registered persons				Nonregistered persons				Nonregistered persons			
	Federal court		State court		Federal court		State court		Federal court		State court	
Convicted	------		1		723		237		142		64	
Acquitted	2		------		42		8		4		3	
Total [1]	3				1,010				213			
	Yrs.	*Mos.*	*Yrs.*	*Mos.*	*Yrs.*	*Mos.*	*Yrs.*	*Mos.*	*Yrs.*	*Mos.*	*Yrs.*	*Mos.*
Sentences imposed	------	------	3	------	4,371	9	1,111	6	623	6	322	3
Fines imposed	------		$250		$119,899		$21,571		$717		$13,202	
	Yrs.	*Mos.*	*Yrs.*	*Mos.*	*Yrs.*	*Mos.*	*Yrs.*	*Mos.*	*Yrs.*	*Mos.*	*Yrs.*	*Mos.*
Average sentence per conviction:												
1963	------	------	3	------	6	------	4	8	4	4	5	------
1962	3	------	------	------	6	6	3	11	5	1	3	10
Average fine per conviction:												
1963	------		$250		$166		$91		$5		$206	
1962	------		------		71		65		42		75	

[1] Some cases tried in Federal courts and some cases tried in State courts are made by Federal and State officers working in cooperation.

The investigative jurisdiction of the Bureau, as expanded by authorization of the Secretary of the Treasury in October 1962, resulted in the establishment of district offices in Bangkok, Thailand, and Mexico City, Mexico. Under this expanded program Bureau agents, working undercover, assisted police in Latin America, Europe, the Middle East, and the Far East in the arrests of scores of traffickers and the seizure of several tons of opium, as well as large quantities of intermediate morphine base and heroin. Individual seizures of opium in excess of one ton were made in Turkey and Thailand.

The realistic sentences meted out to narcotic violators as a result of the Narcotic Control Act of 1956 (21 U.S.C. 174; 26 U.S.C. 7237) remain one of the most effective weapons against the narcotic traffic.

During fiscal 1963 the Bureau seized a total of 44,298 grams of narcotics, principally heroin, in the illicit traffic, as compared with 86,345 grams in 1962. Seizures of marihuana amounted to 580,898 grams bulk, as compared with 145,230 grams bulk in 1962.

The number of violators of the narcotic laws reported by Federal narcotic enforcement officers is shown in the table above.

Control of manufacture and medical distribution

In its control of the legitimate trade the Bureau issues permits for imports of the crude materials, for exports of finished drugs, and for the intransit movement of narcotic drugs and preparations passing through the United States from one foreign country to another. It supervises the manufacture and distribution of narcotic medicines within the United States and has authority to license the growing of opium poppies to meet the medicinal needs of the country if and when their production might become necessary in the public interest.

Under the Narcotics Manufacturing Act of 1960 (21 U.S.C. 501–517; 26 U.S.C. 4702, 4731) the Bureau determines, in the interest of public health and safety, what narcotic drugs shall be manufactured and used by establishing "basic classes" for those which are authorized. It licenses the manufacture of such drugs and fixes annual manufacturing quotas for each producer, thus keeping total production within predetermined medical and scientific requirements. Under that act the Bureau, with the assistance of an advisory committee, also classifies pharmaceutical preparations containing narcotic drugs according to various control categories, applying to each category that degree of control which is found to be warranted by its risk of addiction or abuse.

The importation, manufacture, and distribution of opium and coca leaves and their derivatives are subjected to a system of quotas and allocations designed to insure their proper distribution for medical needs. During the year 259,530 kilograms of raw opium were imported from Afghanistan, India, Turkey, and Yugoslavia and 250,627 kilograms of coca leaves were imported from Bolivia and Peru to meet medical requirements for opium derivatives and cocaine and to supply nonnarcotic coca flavoring extracts. The latter were obtained as a byproduct from the same leaves from which the cocaine was simultaneously extracted.

The quantity of narcotic drugs exported during 1963 was more than that exported the year before. The export total, however, never has been significant in comparison with the quantity used within the

United States. The manufacture of narcotics continued to be extensive principally because of the large medical consumption of pethidine, codeine, and papaverine.

There were 1,608 thefts of narcotics, amounting to 71,260 grams, reported during 1963 from persons authorized to handle the drugs, compared with 1,695 thefts amounting to 70,289 grams in 1962.

Practically all of the approximately 353,684 persons registered to engage in lawful narcotic and marihuana activities were employed in the manufacture, wholesale, or retail distribution, or dispensing or prescribing of narcotic drugs for legitimate medical uses. As industrial and scientific users of narcotic substances are few, the quantities used for these purposes are insignificant.

International control and cooperation

Opium, coca leaves, marihuana, and their more important derivatives have been internationally controlled by the terms of the Opium Conventions of 1912, 1925, and 1931. In addition, under Article II of the 1931 Convention and the international Protocol of November 19, 1948, 12 secondary derivatives of opium and 58 synthetic drugs have been found by the World Health Organization to have addicting qualities similar to morphine or cocaine and have been brought under the controls provided by the treaties.

For each calendar year the Bureau submits to appropriate agencies of the United Nations advance estimates of requirements for each basic drug covered by the several international conventions, and after the year has ended, complete statistics of their manufacture, distribution, imports, exports, and stocks. The Bureau applies a system of import, export, and intransit permits which conforms to the requirements of these conventions as well as to our own Narcotic Drugs Import and Export Act. It exchanges, directly with the narcotics control authorities of other governments, information relating to movements of drugs under the permits, as well as information relating to illicit traffickers and illicit movements of narcotics between countries. Through the State Department the Bureau cooperates in matters of narcotic policy with other governments and with the United Nations.

The former Commissioner of Narcotics is the U.S. representative on the United Nations Commission on Narcotic Drugs, which meets annually to review the work of the various international agencies concerned with narcotics and to make recommendations on narcotic matters to the Economic and Social Council.

On March 8, 1963, an important international development was the coming into force of the 1953 Opium Protocol. The U.S. Senate ratified this Protocol August 20, 1954, and urged other governments to do so. The necessary ratifications to make this Protocol effective (25 countries, including any 3 of certain named producing countries and any 3 of certain named manufacturing countries) were accomplished with the ratification by the Greek Government in February 1963.

This Protocol limits production of opium throughout the world to that quantity needed only to meet world requirements for medical and scientific purposes; thus it should greatly reduce the quantity of opium available for diversion into illicit traffic. As of June 30, 1963, 46 countries had ratified the Protocol.

The expanded jurisdiction of the Bureau in Latin America and the Far East has produced significant results. In Thailand, for example, several large seizures of opium have been made by national police working in close cooperation with Bureau agents.

Similar investigations in Turkey have resulted in comparable seizures in that country. In Italy the Bureau has rendered assistance to the enforcement authorities currently conducting an extensive drive against the Mafia.

Cooperation with States, counties, and local authorities

Close cooperation among Federal, State, and local narcotic law enforcement agencies in the exchange and coordination of law enforcement information continued during fiscal 1963 and resulted in the investigation and prosecution of an increasing number of minor violations and routine inspections by State and local authorities.

Training schools

The Bureau of Narcotics Training School, established in 1956 to meet the need for State and local law enforcement officers trained in narcotic enforcement techniques, provides two-week intensive courses in narcotic law enforcement procedures through lectures, demonstrations, and technical instruction in methods of detection and prevention of illicit narcotic trafficking. Police officers from foreign countries who visit the United States to receive training in general law enforcement methods and procedures also attend this school.

During the fiscal year 1963 the school trained 204 officers, including 32 narcotic agents, 6 food and drug inspectors, 107 State and local police officials, 49 military officers, and 10 foreign police officials who came from Bermuda, Canada, Guam, Indonesia, Iraq, the Philippines, Mexico, and Turkey.

In addition to the regular on-the-job training program designed for Bureau agents, the Bureau is responsible for planning and organizing training programs for foreign police officials. During fiscal 1963 on-the-job training programs were arranged for 21 foreign police officials from China, El Salvador, Guam, Indonesia, Iran, Iraq, Mexico, the Philippines, Syria, Turkey, and Egypt.

Short seminars or conferences at the Bureau of Narcotics Training School and the Bureau of Narcotics were arranged for about 41 visiting officials.

Twenty-four narcotic agents attended the Treasury Law Enforcement Officers' Training School and four narcotic agents attended the Treasury technical equipment operators' school.

Drug addiction

On June 30, 1963, the Bureau's central index recorded the names of 47,905 active addicts, many of whom were reported by State and local agencies.

The first White House Conference on Narcotic and Drug Abuse met in Washington on September 27–28, 1962, with some 400 scientists and law enforcement officials, as well as other recognized authorities in attendance. The President, the Attorney General, the Commissioner of Narcotics, and other officials addressed the Conference.

In January 1963 the President appointed an Advisory Commission on Narcotic and Drug Abuse to study the recommendations of the Conference. This Commission presented a preliminary report before June 30, 1963, and is scheduled to present its final report to the President before the end of the calendar year 1963.

Management improvement

The internal audit program continued to improve overall operations without increased dollar expenditures.

Some recommendations contained in the survey report of district offices' training programs and requirements were approved and implemented.

By authorization of the Secretary of the Treasury, Bureau enforcement responsibilities in foreign areas were extended, including the establishment of district offices in Bangkok, Thailand, and Mexico City, with a branch office in Monterrey, Mexico.

The second District Supervisors' conference, in April 1963, included discussions by Attorney General Robert F. Kennedy, Assistant Secretary of the Treasury James A. Reed, and the Treasury Department Director of Personnel, Amos N. Latham, Jr. The first annual safe driving award plaques were presented to three districts, two of which had accident-free records.

United States Coast Guard

The U.S. Coast Guard is responsible for enforcing or assisting in the enforcement of Federal laws on the high seas and waters subject to the jurisdiction of the United States. These laws govern navigation, shipping and other maritime operations, and the related protection of life and property. The Service also coordinates and provides maritime search and rescue facilities for marine and air commerce and the Armed Forces. Other functions include promoting the safety of merchant vessels, furnishing ice breaking services, and developing, installing, maintaining, and operating aids to maritime navigation. The Coast Guard has a further responsibility for maintaining a state of readiness to operate as a specialized Service of the Navy in time of war or national emergency.

Search and rescue

The Coast Guard in fiscal 1963, working closely with the other armed services, revised the basic search and rescue (SAR) procedures, which will be placed in effect by an amendment to the National Search and Rescue Manual.

The plotting area of the Atlantic Merchant Vessel Reporting System (AMVER) was extended to cover the entire North Atlantic Ocean. During the fiscal year 1963 AMVER reporting procedures were revised. A reference book, listing merchant vessels and their search and rescue capabilities, was compiled by the AMVER computer and is being used in the Atlantic and Pacific areas by SAR coordinators.

Some typical examples of assistance cases participated in by the Coast Guard during fiscal 1963 are described below.

Grounded fishing vessel aided.—Lost and aground off the California coast, the fishing vessel *Sentinel* was located by a Coast Guard amphibious aircraft responding to a distress call on August 24, 1962. With the assistance of an 82-foot patrol boat which arrived on the scene, pumps were placed in operation aboard the stricken vessel to control flooding. It was then towed to port by the Coast Guard vessel for repairs.

Airliner forced down off Alaskan coast.—On October 22, 1962, a Northwest Airlines DC–7 with 102 occupants was forced to ditch in the waters of Sitka Sound, Alaska. Three persons suffered minor injuries, but all aboard were rescued. Shortly after the ditching, a Coast Guard amphibian landed on the water and sighted five liferafts. The survivors were picked up by a Federal Aviation Agency supply boat and transferred later to the U.S.C.G.C. *Sorrel*, which took them to Sitka, Alaska.

Survivors of sinking motor vessel rescued.—The motor vessel *Helga Smith*, 50 miles southeast of Cape Race, Newfoundland, reported to the Coast Guard during the night of April 21, 1963, that the ship had an uncontrollable leak and required assistance. The U.S.C.G.C. *Campbell*, arriving on the scene to assist, illuminated the area with its floodlights as the crew of the *Helga Smith* left the flooded vessel in lifeboats and boarded the *Campbell*. Two commercial tugs attempted to tow the disabled ship to St. Johns, Newfoundland, but it sank en route.

Two ships collide near San Francisco.—Under cover of a heavy fog the U.S.N.S. *Asterion* and the SS *Kokoku Maru* collided on June 4, 1963, 40 miles west of San Francisco. The Coast Guard cutters *Magnolia*, *Comanche*, and *Avoyel* as well as a patrol boat (CG–95311) were dispatched to assist. Two commercial tugs called for by the agent for the Japanese ship also converged on the scene. One *Kokoku Maru* crewmember was killed and three were injured, but all 43 of the survivors were removed from the disabled vessel by the *Comanche* and *Magnolia*.

The *Asterion* continued on to San Francisco under its own power, but the *Kokoku Maru* had to be towed by the two commercial tugs. When one of the tugs lost its bilge pumps and began to flood, Coast Guard aircraft dropped emergency pumping equipment to control the water intake. The crewmembers of the *Kokoku Maru* were delivered safely ashore, and their vessel successfully towed into San Francisco harbor.

Ill crewman evacuated from ship.—The SS *Walter Rice*, in the Yucatan Channel in the Gulf of Mexico, requested Coast Guard assistance on May 26, 1963, when a crewmember became seriously ill. Since the patient's life was in danger, a Coast Guard amphibian, dispatched from Miami for the rescue, made a landing in five-foot seas alongside the *Walter Rice*. The patient was flown to Key West, Fla. and transferred to the U.S. Naval Hospital.

A statistical summary of search and rescue assistance comparing the fiscal years 1962 and 1963 follows:

Operations	By aviation units		By vessels		By other small boats, vehicles, and equipment		Total	
	1962	1963	1962	1963	1962	1963	1962	1963
Vessels assisted:								
Refloated (number)	74	61	227	219	1,908	2,128	2,209	2,408
Towed (number)	280	318	2,385	2,662	10,928	12,878	13,593	15,858
Otherwise aided (number)	975	991	1,210	950	2,891	2,013	5,076	3,954
Property involved (value including cargo in thousands)							$776,226	$496,017
Miles towed							138,085	130,242
Aircraft assisted:								
Escorted (number)	303	231	4	4	9	6	316	241
Otherwise aided (number)	160	85	45	31	174	143	379	259
Property involved (value including cargo in thousands)							$710,668	$488,186
Miles escorted							52,469	36,527
Personnel assisted	724	764	456	489	1,986	1,799	3,166	3,052
Miscellaneous assisted (floods, forest fires, etc.)	114	98	201	176	1,056	857	1,371	1,131
Attempts to assist (no physical assistance rendered)	2,171	2,259	1,741	1,948	5,826	6,220	9,738	10,427
Persons involved (number):								
Lives saved or rescued from peril							2,597	1,970
Medical assistance furnished							2,622	2,584
Other assistance							85,519	86,735
Miscellaneous property involved (value in thousands)							$46,440	$13,905

Marine inspection and allied safety measures

During the fiscal year 1963, 4,365 marine casualties were reported, four of which were considered major and required marine boards of investigation. These inquiries revealed that 226 lives were lost from vessel casualties, 161 from personal accidents, and 247 deaths were from miscellaneous causes. (These figures do not include pleasure craft covered by the National Boating Act of 1958 (46 U.S.C. 527)).

The disappearance in February 1963 of the *Marine Sulphur Queen* with the presumed loss of 39 men was the most serious casualty of the year. In the collision on October 20, 1962, between the MV *Boheme*, a Norwegian tanker, and the tug *Bonnie D*, 20 lives were lost. The capsizing of the MV *Diversity* in the Gulf of Mexico on January 24, 1963, with the loss of five lives, and the explosion of a tank barge (NBC 883) at Carlyss, La., on September 22, 1962, with three fatalities, were also major casualties.

National motorboat numbering program.—Forty-three States and the Virgin Islands now have Coast Guard-approved systems for numbering boats under the Federal Boating Act of 1958. The Coast Guard continues to assist those States not having approved numbering plans.

The sixth annual statistical report entitled *Recreational Boating in the United States* published on May 1, 1963, showed that on December 31, 1962, there were 3,516,052 boats numbered in the United States, 3,317,633 through approved State systems. During the calendar year 1962 there were reported to the Coast Guard 3,085 boating accidents, involving 3,897 vessels, causing 1,055 fatalities, 977 injuries, and damage estimated at $4,270,700.

A digest of certain marine inspection activities comparing the fiscal years 1962 and 1963 follows.

Inspection activities	Number		Gross tonnage	
	1962	1963	1962	1963
Inspections for certification	4,218	[1] 4,741	8,532,734	11,261,185
Drydockings	5,731	5,725	13,413,450	13,417,295
Reinspections	5,855	5,529	13,320,800	9,638,154
Factory inspections [2]	1,558,399	1,396,549		
Miscellaneous inspections	25,107	24,131		
Merchant vessel plans reviewed	35,915	31,013		
Violations of navigation and inspection laws (administrative penalty action completed)	28,059	56,294		

[1] Includes 549 initial inspections to obtain first certificates.
[2] Includes such items as liferafts, lifejackets, flares, etc.

Merchant marine technical activities.—The increasing need for the water transport of liquefied flammable gases at atmospheric pressures has led to much research in the field of cryogenics, since the low temperatures of such cargo (as much as —430° for liquefied hydrogen) require safeguards to protect shipbuilding steel from brittle fractures.

A number of marine casualties involving the sinking of open hopper barges transporting dangerous bulk cargo led to the development and issuance of new regulations to prevent future sinkings from swamping and diving.

On October 24, 1962, a certificate was issued for the 34-foot hydrofoil passenger vessel *Albatross*, the first such vessel to get Coast Guard approval.

Under consideration at the close of fiscal 1963 were the proposed plans for a somewhat revolutionary 300-foot semiautomated, self-propelled container type vessel of about 2,900 gross tons, scheduled for operation in the Hawaiian area.

Merchant Marine Council meetings, conferences, and publications.—The Merchant Marine Council held nine regular meetings and one public hearing to consider proposed amendments to regulations.

Some 800,000 copies of the pamphlet *Pleasure Craft*, highlighting the Federal Boating Act of 1958, were distributed to the public during the fiscal year. About 50,000 copies of *The Recreational Boating Guide*, an educational publication for the novice boatman, were sold by the Government Printing Office.

In the interests of maritime safety, the Coast Guard was represented at numerous technical meetings in this country and abroad.

Merchant marine personnel.—During the fiscal year 69,244 documents were issued to merchant marine personnel, and Coast Guard shipping commissioners supervised the execution of 7,299 sets of shipping articles involving 455,445 individual transactions relating to the shipment and discharge of seamen.

Merchant marine investigation sections in major U.S. ports and merchant marine details in foreign ports investigated 19,872 cases involving negligence, incompetence, and misconduct. Charges were preferred and hearings held before civilian examiners in 1,064 of these cases. Security checks were made of 18,864 persons desiring employment on merchant ships.

The Coast Guard, with the cooperation of the National Academy of Sciences, is developing statistical data concerning the work habits of merchant seamen to facilitate an evaluation of merchant vessel automation and its potential impact on the economy.

Law enforcement

The law enforcement workload continues to grow as recreational boating becomes more popular throughout the country. There is also an increase in the number of foreign fishing vessels in the North Pacific treaty areas, requiring the assignment of additional patrol boats and aircraft in that vicinity. Enforcement patrols in the Florida Straits have been expanded for surveillance of vessels possibly violating neutrality laws. Another problem is the increasing incidence of water pollution cases, requiring increased concentration on detection, investigation, and reporting.

The following table compares the Coast Guard workload in the major enforcement areas for the fiscal years 1962 and 1963.

Enforcement work	Number	
	1962	1963
Vessels boarded	171,150	196,481
Waterfront facilities inspected	29,294	37,251
Reported violations of:		
Motorboat Act	53,706	72,412
Port security regulations	1,244	1,131
Oil Pollution Act	524	302
Other laws	642	770
Explosives:		
Loading permits issued	756	731
Loadings supervised	513	883
Tons covered by issued permits	279,689	202,098
Other hazardous cargoes inspected	6,801	5,782
Anchorage violations	19	45

Operational readiness

To maintain a high state of operational readiness, 22 ships underwent refresher training at U.S. Naval training commands during the year. Coast Guard ships also conducted about 700 gunnery indoctrination and antisubmarine firing exercises. Some 9,250 officers and men participated in small arms courses for training and qualification.

Cooperation with other Federal agencies

The Coast Guard assisted other Federal agencies during the last two fiscal years as follows:

	1962	*1963*
Alcohol Tax Unit, Treasury (aircraft days)	36	26
Coast and Geodetic Survey (aerial surveys days)	225	95
Fish and Wildlife (censuses taken)	237	458
Weather Bureau:		
Reports furnished	95,588	93,234
Warnings disseminated	17,928	16,897

Aids to navigation

The long-range program to replace overage lightships with offshore structures continued during fiscal 1963 as construction began on a new fixed aid to navigation nine miles from the shore entrance to the Savannah River (Georgia). Plans are progressing for erection of another such structure at Frying Pan Shoals, 34 miles off Southport, N.C., with completion scheduled for August 1964. Two previously

completed offshore structures, replacing lightships, are already in operation.

A comparison of the volume of aids to navigation maintained by the Coast Guard at the close of the last two fiscal years follows.

Navigational aids	Number	
	1962	1963
Loran transmitters	68	70
Radiobeacons	191	189
Fog signals (except sound buoys)	567	559
Lights (including lightships)	10,659	10,741
Daybeacons	6,639	6,799
Buoys:		
Lighted (including sound)	3,326	3,582
Unlighted sound	361	345
Unlighted	14,318	14,768
River type	4,830	5,020
Total	40,891	42,073

Ocean stations

The Coast Guard continued the operation of four ocean stations in the North Atlantic Ocean and two in the North Pacific. These ships, cruising 483,527 miles on patrol, provided meteorological, navigational, communications, and rescue services for air and marine commerce, and collected various scientific data. In the calendar year 1962 ocean station ships communicated with 39,154 transatlantic flights, reflecting a steady increase since 1950 when 9,890 such contacts were made.

International ice patrol

The international ice patrol, comprised of an aircraft detachment, radio station, and oceanographic vessel, operated in the North Atlantic between March 7 and June 21, 1963. The ice menace for this year, the 50th anniversary of the patrol, was comparatively light.

Bering Sea patrol

The 1962 Bering Sea patrol was carried out by the cutters *Storis* and *Northwind* from May 20 to September 30, 1962, assisted by the cutters *Winona, Wachusett,* and *Klamath.* The latter three vessels were needed for observation of the increased foreign fishing operations in the area.

Oceanography

Amending legislation enacted on October 5, 1961 (14 U.S.C. 2) required the Coast Guard to engage in oceanographic research on the high seas and in waters subject to the jurisdiction of the United States. Pursuant to this, oceanographic observations are now being made by ocean station vessels, and one such cutter has been outfitted and equipped as a prototype oceanographic laboratory. The design of equipment to provide oceanographic capability for all ocean station vessels has been completed, and installation will begin in fiscal 1964.

Icebreaking

The past winter was notably severe and required a major icebreaking effort in several northern regions. All available icebreaking units in those areas were employed to maximum endurance, and, although there were some delays, shipping was maintained at or near normal.

Coast Guard intelligence

During the fiscal year 2,435 internal security investigations and 9,810 national agency checks were made. In addition, 20,166 merchant mariners and 24,081 applicants for port security cards were screened before issuance of their documents.

Operational facilities

Floating units.—There were 323 ships in active commission on June 30, 1963, including 61 rescue cutters, 76 patrol craft, 5 icebreakers, 111 buoy tenders, 26 lightships, 37 harbor tugs, and several special purpose vessels. Coast Guard floating units cruised some 3,195,780 miles in carrying out Service functions.

Shore units.—Early in 1963, the Report on the Requirements for Coast Guard Shore Units was approved by the Commandant. This report established an overall plan for the progressive modification of the shore establishment over the next ten years.

Aviation and aircraft.—Aircraft operated by the Coast Guard during the year, 97 conventional types and 41 helicopters, spent 110,369 hours in the air while carrying out 33,114 sorties. Fifteen of the new HH-52A turbine-powered helicopters were procured to replace the older HH-19G models, and the final three HC-130B aircraft were received, making 12 such planes available for long-range search and rescue missions.

Communications.—In May 1963 the principal Coast Guard-leased landlines communication circuits were transferred to the Defense Communications Agency and combined with other military circuits. The savings realized from this action will contribute to the gradual improvement of Coast Guard communications facilities.

Engineering developments

Aeronautical engineering.—The Coast Guard has adopted on a trial basis a new system of aircraft inspection, based on the calendar rather than hourly intervals as before. This change is expected to improve work scheduling and maintenance, as well as increase operational availability.

Civil engineering.—The loran construction program continued to progress in fiscal 1963, with the start of a new chain of four loran transmitting stations in the North Pacific area. Two lifeboat stations demolished by the Atlantic Coast storm of 1962 are being completely rebuilt. At the Aircraft Repair and Supply Base a modern warehouse is under construction to replace small buildings

scattered around the Base. The long-range construction program to improve facilities of the Coast Guard Academy continued during the fiscal year.

Electronics engineering.—A simple and economical technique using the existing loran-C navigation system has been designed by the Coast Guard to disseminate civil defense warning information. The method has been demonstrated to those concerned with the civil defense program and appears to have been favorably received. The use of loran-C facilities for this purpose could save a substantial sum which would otherwise be required if an additional warning system were built.

A second RATAN system was being installed in the New York area at the close of fiscal 1963. This installation at Bayonne, N.J., together with the one previously set up at Sandy Hook, N.J., will provide experimental Radar-TV-aids-to-navigation service for the upper and lower New York harbor areas.

Naval engineering.—The 210-foot U.S.C.G.C. *Reliance*, the first of a new class vessel, was christened and launched in May 1963 at the Todd Shipyards in Houston, Tex. Two other ships of this class are under construction as a part of the fleet modernization program. A 157-foot coastal buoy tender which will replace a 42-year-old vessel is being built at the Coast Guard Yard.

Five obsolete buoy tenders have been replaced by newly constructed pusher-tender and barge combinations for service on rivers of the Second District. The completion of six new 65-foot harbor tugs in fiscal 1963 enabled the replacement of aging and obsolete vessels. The construction of 82-foot patrol boats at the Coast Guard Yard continued, with ten completed in December 1962 and five more scheduled for manufacture in fiscal 1964. Seventeen of the Coast Guard's new 44-foot motor lifeboats, enthusiastically received at the recent International Lifeboat Conference, were built during the year to replace older models and improve rescue capabilities.

Coast Guard Reserve

In recognition of its continued importance in contributing to the readiness stature of the Coast Guard, the Reserve Program has been elevated to Office status at Headquarters. The Reserve Inspector-Instructor Program was modified during the year to include mobilization duties. As a result these senior Reserve officers are now being trained for mobilization assignments to assume command of two or more operational Organized Reserve Training Units (Port Security). A new system has been adopted for matching mobilization billets with Reserve personnel using a mechanized process, and preassignment mobilization orders have already been issued to most ready reservists.

Personnel

The personnel strength of the Coast Guard as of June 30, 1962 and 1963 is shown in the following table.

Personnel	Number 1962	Number 1963
Military personnel:		
Commissioned officers	3,122	3,176
Chief warrant officers	849	852
Warrant officers	178	172
Cadets	372	398
Enlisted men	27,200	27,062
Total	31,721	31,660
Civilian personnel:		
Salaried (General Service)	2,539	2,595
Wageboard	2,148	2,237
Lamplighters	207	203
Total	4,894	5,035
Ready reservists:		
Officers	3,570	3,569
Enlisted men	24,638	22,673
Total	28,208	26,242

Illustrated in the table below are the changes in the numbers of officers on active duty as of June 30, 1962 and 1963. The net gain of 41 was sufficient to meet increased commitments at the start of fiscal 1964.

Officers	Number 1962	Number 1963
Additions of commissioned officers:		
Coast Guard Academy graduates	115	94
Reserve officers called to active duty	18	14
Former merchant marine officers appointed	5	5
Officer Candidate School graduates	208	157
Total	346	270
Losses of commissioned officers:		
Regular [1]	135	107
Reserve on completion of obligated service	150	122
Total	285	229
Net gain	61	41

[1] Through retirements, resignations, revocations, and deaths.

Recruiting and training.—Fifty-seven main recruiting stations and approximately 45 substations were manned by 215 recruiters. During fiscal 1963 there were 14,035 applicants for enlistment in the regular Coast Guard and 4,364 were enlisted. The Reserve received 6,968 applications and enlisted 3,115. The receiving centers at Cape May, N.J., and Alameda, Calif., trained 3,429 and 2,095 recruits, respectively.

Training for foreign visitors.—Under the sponsorship of other Government agencies, about 86 visitors from 26 foreign countries were extended the use of Coast Guard training facilities.

Coast Guard education program.—The education and training programs sponsored by and participated in by the Service are summarized for 1962 and 1963 as follows:

Education and training program	Number	
	1962	1963
Coast Guard Academy:		
Applications	5,436	5,050
Applications approved	5,352	4,963
Appointments	235	228
Cadets	372	562
Graduates (bachelor of science degrees)	115	94
Officer training completed:		
Officer Candidate School graduates	208	158
Postgraduate	57	54
Flight training	35	30
Helicopter pilot training	25	22
C-130B aircraft training	34	13
Short term specialized courses	318	363
Off-duty courses at civilian schools	288	409
Enlisted training completed:		
Coast Guard basic petty officer schools	1,561	1,197
Navy basic petty officer schools	[1] 208	[1] 460
Advanced schools (Coast Guard and Navy)	[1] 1,084	[1] 612
Specialized courses (Service and civilian schools)	567	627
Correspondence courses completed:		
Coast Guard Institute courses completed	10,691	10,044
U.S. Armed Forces Institute courses completed	261	311
Naval correspondence schools courses completed	5,724	6,000

[1] Estimated.

Public Health Service support.—On June 30, 1963, there were 94 Public Health Service personnel on duty with the Coast Guard serving at 22 shore stations and aboard ships assigned to ocean stations, the Bering Sea Patrol, and Arctic and Antarctic operations.

Coast Guard Auxiliary

The Auxiliary, a voluntary nonmilitary organization functioning in 646 communities, conducted numerous public instruction courses in safe boating in fiscal 1963. These courses had an enrollment of some 121,000 persons. Courtesy examinations of the safety equipment of approximately 140,000 motorboats were made by specially qualified auxiliarists. The Auxiliary also worked with the Coast Guard in patrolling 1,780 regattas, and cooperated in answering more than 5,700 calls for assistance, their efforts saving the lives of 281 persons. On June 30, 1963, the organization had approximately 22,100 members and 14,500 facilities, consisting of boats, aircraft, and radio stations in 783 flotillas.

Fiscal and supply management

Greater use is being made of mechanized systems to facilitate accounting for appropriated funds and expenditures, with EAM equipment replacing conventional bookkeeping machines at Headquarters and in two district offices. This system, which will provide more timely financial status reports to program managers, is planned for installation at other Coast Guard accounting offices during the fiscal year 1964.

In carrying out the budgetary program for military personnel, automatic data processing is being used to analyze variations between actual and planned costs and to identify reasons for such variations. This provides factual and timely management information to support early adjustments of personnel plans and funding requirements.

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Funds available, obligations, and balances

The following table shows the amount of funds available for the Coast Guard during fiscal 1963 and the amounts of obligations and unobligated balances.

	Funds available [1]	Net total obligations	Unobligated balance [2]
Appropriated funds:			
Operating expenses	$222,530,784	$222,454,310	$76,474
Reserve training	16,497,577	16,431,074	66,503
Retired pay	32,350,000	31,773,281	576,719
Acquisition, construction, and improvements	49,776,128	40,590,914	9,185,214
Total appropriated funds	321,154,489	311,249,579	9,904,910
Reimbursements:			
Operating expenses	31,453,204	31,453,204	------------
Acquisition, construction, and improvements	29,576,580	24,737,951	4,838,629
Total reimbursements	61,029,784	56,191,155	4,838,629
Trust fund, U.S. Coast Guard gift fund	18,611	3,388	15,223
Grand total	382,202,884	367,444,122	14,758,762

[1] Funds available include unobligated balances brought forward from prior year appropriations as follows:

Acquisition, construction, and improvements:	
Appropriated funds	$16,250,837
Reimbursements	9,252,833
U.S. Coast Guard gift fund	12,189

[2] Unobligated balance of $14,023,843 under the acquisition, construction, and improvements appropriation remains available for obligation in fiscal 1964. These funds are programmed for obligation in fiscal 1964 for the following general purposes:

	Coast Guard projects	Department of Defense projects
For projects deferred in fiscal 1963 to be subsequently accomplished	$3,053,900	------------
For completion of projects started in fiscal 1963	6,131,314	$4,838,629
Total	9,185,214	4,838,629

NOTE.—Funds available under acquisition, construction, and improvements also include recoveries of prior obligations, $195,291.

Management improvement

Through the collective efforts of Coast Guard military and civilian personnel in applying the principles of management improvement, the Service expects to realize savings of some 145 man-years and dollar value benefits estimated at $2,746,000 for the fiscal year 1963. Of these savings, some $371,000 stemmed from military and civilian suggestions and superior work performance. Although not measurable in a monetary sense, many improvement projects returned significant benefits by furthering safety, morale, and service to the public.

To promote greater supervisory knowledge and understanding of the management improvement program and its goals, the Coast Guard will distribute to all supervisors a booklet entitled *The Supervisor's Role in Management Improvement.* The publication of a quarterly *Management Bulletin* is also planned.

The most significant improvement of the fiscal year centered on cost reductions in traffic management. Through the study and analysis of transportation systems, substantial rate reductions were negotiated for a variety of materials transported for the Coast Guard by commercial carriers.

The conversion of numerous manned light stations to automatic operation saved an estimated 45 man-years and $246,000, while the collocation of loran-A and loran-C stations brought an additional return of 20 man-years and $97,000.

The completion of a management survey of the Coast Guard's Reserve Training Program brought about numerous administrative improvements, leading to predicted savings of 26 man-years and $53,000.

United States Savings Bonds Division

The U.S. Savings Bonds Division is responsible for promoting the sale and retention of U.S. savings bonds and the sale of savings stamps. The savings bond program makes a vital contribution to Government financing and debt management policy as one of the most significant means through which the Treasury achieves the broadest possible ownership of the public debt.

Activities of the Division during the fiscal year 1963 centered around the "Freedom Bond" drive conducted from May 1 through July 4, 1963. Various promotional campaigns specifically designed to reach different groups of the American public were carried out within the drive. To launch the "Freedom Bond" drive within industry, 28 leading industrialists met in Washington on January 16, 1963, to form the U.S. Industrial Payroll Savings Committee, chaired by Harold S. Geneen, president of International Telephone and Telegraph Company. Campaigns in more than 10,250 American firms were completed during the January–October 1963 period, resulting in nearly one million four hundred thousand new enrollments, an increase of more than 40 percent from the number of new enrollments a year earlier.

As part of the 1963 "Freedom Bond" drive within the Federal Government, the Interdepartmental Savings Bond Committee under the chairmanship of John W. Macy, Jr., Chairman of the Civil Service Commission, initiated a successful drive for greater Federal employee participation in the payroll savings plan. The Minute Man Award, signifying 90 percent or greater employee participation, was presented to the Treasury Department during the year. In previous years, three other Federal agencies had qualified for this award. During fiscal 1963 the number of Government employees enrolled in the program increased by 8.5 percent.

In addition to these concerted drives for increased sales through payroll savings plans, the Division coordinated many individual campaigns designed to enlist the aid of national organizations and community institutions in promoting the Series E and H bond program. "Seven day community bond campaigns" were held in 125 cities and towns during fiscal 1963 under the direction of State and regional field representatives of the Division, with the assistance of a large volunteer corps. Executives of 65 major national organizations, representing 63 million members, met in Washington during the fall of 1962 to organize and direct the National Organizations Family Campaign under the chairmanship of Bernard B. Burford, Secretary-Treasurer of Optimist International. The goal of this drive was to encourage each family to buy a bond during the year.

Sales of savings stamps during the fiscal year 1963 increased 3.4 percent over 1962, primarily from the "Junior Astronaut" promotional program initiated during the 1962–63 academic year. When buying his first stamp of the school year, each student received a certificate signed by the seven Mercury astronauts designating him as a "Junior Astronaut." Over 5 million of these certificates were distributed.

Of great importance to all of the campaigns and promotions directed by the Savings Bonds Division is the voluntary assistance provided by the Advertising Council, which prepares and donates advertising and promotion material, and the contributions and cooperation of industrial and community volunteers. The donated advertising time and space alone is conservatively valued at more than $50 million annually. Because of this support, the costs to the Government of promoting the sale of savings bonds are held to a minimum and average $\frac{1}{10}$ of one percent of annual sales.

Sales of Series E and H savings bonds during the fiscal year 1963 totaled $4,518,034,609. Details of sales, redemptions, and amount outstanding will be found in tables 46–48.

Organization and management improvement

The Savings Bonds Division is headed by a National Director and Assistant National Director and consists of two principal branches: Sales, and Advertising and Promotion. The branch chiefs, together with the National Director and Assistant National Director, make up the Division's Management Committee, whose main purpose is continuing improvement of the Division's services.

The Division has six regional offices and offices in the fifty States and the District of Columbia through which sales materials are disseminated. A relatively small sales and service staff recruits, trains, and services a large volunteer savings bonds sales corps. Liaison is maintained with all types of financial, business, labor, agricultural, and educational institutions, as well as with other civic organizations. Their volunteer services are enlisted to sell savings bonds at banks, savings and loan associations, credit unions, certain post offices (those in communities where there is no other sales outlet), and business establishments operating the payroll savings plan.

In response to the Secretary's directive for better utilization of manpower a review was made of the Division's organization and operations and several functions were realigned as follows: Program planning and market research activities were assigned to the Sales Branch; coordination of banking and volunteer relations were placed in the National Director's Office; management, internal audit, and emergency planning were increased in scope, these three activities now reporting directly to the office of the National Director; and upper New York State coverage was realigned into broader areas, the Buffalo Branch Office closed, and two positions reassigned to locations of greater potential.

An automatic data processing (ADP) system was installed for the collection, recording, and reporting of payroll savings participation. This information which is vital to both sales planning and appraisal was formerly collected in 52 State offices from 35,000 firms, posted to individual card records, and manually tabulated. Under the ADP

system the information is collected and processed in Washington, and the field offices supplied with the machine tabulations and summaries. The new system provides more versatile, timely, and accurate data; standardizes field records; and eliminates a significant amount of manual clerical work. Annual recurring savings of eight man-years and $51,500 are anticipated.

Other management improvement projects completed during the year include the following. A survey of promotional films in the field produced 600 films surplus to the needs of certain localities. These were released to the central film library in Chicago to be available on loan, or to help supply States requiring more prints without making further acquisitions. As part of a continuing study of procedures for the procurement and distribution of consumer and advertising material, two forms were simplified, and a third eliminated. Under the incentive awards program, 40 employees received outstanding or superior work performance ratings.

United States Secret Service

Principal functions of the U.S. Secret Service are the protection of the President of the United States, the members of his immediate family, the President-elect, the Vice President or other officer next in order of succession to the office of President, and the Vice-President-elect; the protection of a former President, at his request, for a reasonable period after he leaves office; the detection and arrest of persons committing any offenses against the laws of the United States relating to obligations and securities of the United States and of foreign governments; and the detection and arrest of persons violating certain laws relating to the Federal Deposit Insurance Corporation, Federal land banks, and Federal land bank associations. The duties of the Service are defined by section 3056, Title 18, United States Code.

Management improvement

Several undertakings during the year were directed toward greater efficiency and economy of operations.

Classification by data processing equipment of the handwriting of suspects in check and bond forgery cases was further refined and developed. Maintenance of original fingerprint cards in investigative case files was discontinued as a result of a project which solicited suggestions and opinions of field offices and other law enforcement agencies. A revision of the system of reporting bond forgery cases to the Bureau of the Public Debt brought about clarification of certain instructions and procedures in the Division of Loans and Currency of the Bureau which speeded the issuance of replacement bonds to the public. It also lessened the work of the Division and the Secret Service.

In cooperation with field offices, a revision was made of the "warning notice" system relating to the passing of counterfeit notes. A simplified and improved system replaced the previous one which had been administered jointly with the Federal Reserve Board at a postage cost to the Secret Service of approximately $1,000 per annum. A review of the "check-up" system on former counterfeiters resulted in improvements and some reduction in workload.

In all field offices the deletion of obsolete cards from the master index was begun. This will reduce the amount of card-filing equipment necessary, lower the number of cards to be searched, and result in other intangible economies. A comparison was made of the cost of leasing automobiles used by the Service in San Juan, P.R., with purchase cost.

Emphasis was placed on improving manpower utilization and productivity. On each field office inspection, the inspection staff analyzes all procedures and manpower utilization seeking further improvements.

Protective and security activities

The most important responsibility of the Secret Service continued to be the protection of the First Family and the Vice President. Amending legislation enacted on October 15, 1962 (18 U.S.C. 3056) authorized the protection of the Vice President without requiring his request therefor and extended Secret Service protection to any officer next in succession to the office of President, the Vice-President-elect, and to a former President at his request, for a reasonable time. An amendment to 18 U.S.C. 871, on October 15, 1962, substituted "and successors to the Presidency" for "President-elect and Vice President" in the law dealing with threats against the President.

Investigations concerning protective activities decreased from 882 in 1962 to 753 in 1963, or 14.6 percent. Arrests resulting from investigations of these cases declined from 109 in 1962 to 81 in 1963, or 25.7 percent. There were 52 cases pending at the close of the fiscal year, which was 13.0 percent more than at the close of the previous year.

Enforcement activities

Vigorous and sustained efforts to suppress counterfeiting were continued during fiscal 1963. In the more important cases heavy losses to the public were prevented by seizing the plants and the counterfeited product before the notes could be passed. Counterfeiting in general continued both by organized criminals and by small groups who made use of printing and other equipment of legitimate business enterprises without the knowledge of the owners. Several cases during the fiscal year fell into the latter category.

By amending legislation enacted on October 10, 1962 (18 U.S.C. 3056), moneys expended from Secret Service appropriations for the purchase of counterfeits and subsequently recovered shall be reimbursed to the appropriation current at the time of deposit. This enables the Service to operate more effectively and to utilize funds better.

During the fiscal year 1963, 47 plants for the manufacture of counterfeit money were seized, compared with 44 for the previous year, an increase of 6.8 percent. Six hundred and sixty-two persons were arrested for counterfeiting offenses, compared with 737 the previous fiscal year, a decrease of 10.2 percent. Counterfeit money received amounted to $3,412,327, compared with $4,134,916 the year before, a decline of 17.5 percent. Only $564,321 reflected loss to the public, because Secret Service Agents seized $2,848,005 before it could be passed. Only one in seven counterfeits manufactured resulted in a loss to the public.

The following are examples of major counterfeiting cases:

During June 1963, at Durham, N. C., special agents seized $1,038,860 in a new issue of counterfeit $20 notes on the Federal Reserve Bank of Richmond, in an intensive investigation which required less than a week. Five persons are awaiting judicial action. The owner of a printing concern and one of his employees were the note manufacturers. About $10,000 of the money manufactured has not been accounted for but, so far as is known, none reached the hands of the public.

On June 28, 1962, at Long Beach, Calif., two men were arrested and a complete plant for the manufacture of counterfeit money was seized from the residence of one of the men, which was also the office of a firm owned by him. About $300,000 in counterfeit notes on the Federal Reserve Bank of San Francisco were seized; none was passed on the public.

On July 4, 1962, at Miami, Fla., a supervisor in a commercial printing firm was arrested for manufacturing and passing counterfeit $50 notes on the Federal Reserve Bank of Philadelphia. All the plates and other paraphernalia, together with $99,000 in notes, were seized. Only five notes are known to have been passed. The principal in this case printed the notes after working hours on the firm's equipment without his employer's knowledge.

On July 29, 1962, at Los Angeles, Calif., two men were arrested for manufacturing $100 counterfeit notes on the Federal Reserve Bank of San Francisco. The plates for the notes were found in the car of one of the offenders, a former policeman, who owned a private detective agency in Los Angeles. About $434,000 in the notes were seized and none had been passed on the public.

In July 1962 two brothers were arrested in Sparta, Wis. In the car in which they were riding 56 plates for counterfeit $5, $10, $20, and $100 notes were found, together with 14 counterfeit $20 notes on the Federal Reserve Bank of Richmond; 12 counterfeit $20 notes on the Federal Reserve Bank of Chicago; and seven counterfeit $50 notes on the Federal Reserve Bank of Minneapolis. The complete plant was located in the basement of the farm home of one of the men.

During October 1959 an American was arrested in Mexico for possessing and passing counterfeit U.S. currency. He was sentenced to five years and was released in October 1961, pending review of his sentence by Mexican authorities. During June and July 1962 he manufactured $40,000 in new counterfeit $10 and $20 notes in California and then again moved his operations to Mexico where he manufactured new counterfeit $20, $50, and $100 U.S. notes. In September 1962 a Mexican national was arrested in Mexico while passing a new counterfeit $50 note, and a second man was developed as a suspect. Within a few days, about $124,000 in the counterfeits was found in the wrecked car of the second man, and subsequent investigation resulted in the arrest of the maker and all passers.

During November 1962, at Chamblee, Ga., two men, partners in a small printing shop in the outskirts of Atlanta, were arrested and more than $70,000 in counterfeit $20 notes on the Federal Reserve Bank of Atlanta, together with plates for $5 and $10 notes, were seized.

During February 1963 two men were arrested in California for manufacturing and passing counterfeit $5, $10, and $20 notes on the Federal Reserve Bank of San Francisco. The entire plant was seized, together with more than $128,000 in the counterfeit notes.

During May 1963, in Chicago, a plant for the production of counterfeit $10 and $20 notes on the Federal Reserve Bank of Chicago was smashed and five men were arrested. The defendant who made the plates was employed as a printer for the American Hospital Association in Chicago.

The following table is a summary of seizures of counterfeit money during the fiscal years 1962 and 1963:

Counterfeit money seized, fiscal years 1962 and 1963

Counterfeit currency	1962	1963	Percentage decrease
Loss to the public	$567, 896. 35	$564, 321. 91	−0. 6
Before circulation	3, 567, 020. 43	2, 848, 005. 31	−20. 2
Total	4, 134, 916. 78	3, 412, 327. 22	−17. 5

The forgery of Government checks continued to represent a major enforcement problem for the Secret Service. During fiscal 1963 the Service investigated 47,505 cases involving a face amount of $4,711,861, compared with 40,351 cases involving a face value of $4,244,133 in the fiscal year 1962, an increase of 17.7 percent in cases handled and 11.1 percent in amount involved. Check forgery offenses accounted for the arrest of 3,343 persons in 1963, a slight decline from the 3,414 arrests the previous year.

The Service also investigated 7,169 cases involving the forgery of U.S. savings bonds, compared with 7,804 in fiscal 1962. However, the face amount involved in 1963 was $931,845, compared with $758,715 the previous year, an increase of 22.8 percent. Eighty-one persons were arrested for bond forgery offenses in 1963, compared with 82 in the fiscal year 1962.

Many repeat offenders in check forgery cases are narcotic addicts. During August 1962 a man and a woman were arrested in Pittsburgh, Pa., for stealing and forging 19 Government checks worth $1,807.36. The woman had been arrested on a previous occasion for the same offense. While on bail for the current offense, she was admitted to a hospital after she had taken an overdose of barbiturates. The male defendant committed suicide while awaiting judicial action.

In August 1962 a man who had been sought as a suspected manufacturer of counterfeit notes and postage stamps was identified as the passer of counterfeit U.S. Treasury checks in Phoenix, Ariz. He was arrested by Phoenix police while attempting to pass one of the counterfeit checks in a bank. He resisted arrest and drew a pistol with which

he began to beat one of the policemen and threatened to shoot him. The policeman shot the defendant, wounding him seriously. The entire plant for the counterfeits was seized from his home.

During March 1962 two men were arrested in New York while depositing twenty-five U.S. Government checks to an alleged business account in a New York bank. About $26,000 had been previously deposited and $22,000 withdrawn. The location furnished for the business was found to be a vacant storeroom rented by one of the men. Nearly 300 forged Government checks worth more than $38,000 were traced to the account.

The forgery and alteration (to larger amounts) of U.S. Treasury checks has been a problem in the Philippines for several years. During March 1963 the National Bureau of Investigation of the Republic of the Philippines advised that a special team of investigators had been created to work on these cases. It is hoped that this will be effective in suppressing these offenses there.

An example of the itinerant check forger, who poses a most difficult enforcement problem, is that of a man and his wife who stole more than 100 Government checks worth more than $11,000 and cashed them in 23 states from New York and Massachusetts to California and Oregon. They kept moving, not remaining in any location more than a few days.

Bond forgery cases continue to reflect the interest and activity of organized criminals who buy and sell large amounts of stolen bonds. An illustrative case is the arrest of five individuals in New York State in February 1963 after they had successfully forged and negotiated 451 bonds with a maturity value of $68,250. The bonds were registered to nine different owners and were stolen from residences and business establishments in New York, New Jersey, and Illinois.

On September 19, 1962, legislation was enacted which amended section 491, Title 18, U. S. Code, prohibiting certain acts involving the use of tokens, slugs, disks, devices, papers, or other things similar in size and shape to lawful coins or other currency of the United States. Under this new law during the remainder of fiscal 1963, 59 arrests were made. The increase in such offenses is due to the rapid growth of vending machines of all kinds. The Service has been able to absorb the increased work thus far.

During March 1963, $2,160 in travelers checks on Thomas Cook and Son (Bankers) Ltd., were stolen from a travel agency in Massachusetts. The entire amount was deposited in a New York bank. Arrangements were made for the Service to be notified when the depositor returned, as previously agreed with the bank, to withdraw some of the funds. Bank officials notified the Secret Service and New York police at the same time, but when the agents arrived, they found that police had arrived one minute earlier and had killed the depositor in a gun battle.

The following tables show the number of criminal and noncriminal investigations and the number of arrests completed by the Secret Service in the fiscal years 1962 and 1963:

Criminal and noncriminal cases investigated, fiscal years 1962 and 1963

Cases investigated	1962	1963	Percentage increase, or decrease (−)
Counterfeiting	10,052	10,378	+3.2
Forged Government checks	40,351	47,505	+17.7
Forged Government bonds	7,804	7,169	−8.1
Miscellaneous criminal	1,187	1,080	−9.0
Miscellaneous noncriminal	4,397	5,837	+32.7
Total	63,791	71,969	+12.8

Number of arrests, fiscal years 1962 and 1963

Offenses	1962	1963	Percentage decrease
Counterfeiting	737	662	−10.2
Forged Government checks	3,414	3,343	−2.1
Forged or stolen bonds	82	81	−1.2
Miscellaneous	169	121	−28.4
Total	4,402	4,207	−4.4

During fiscal 1963 a total of 121 persons were arrested for crimes other than counterfeiting and forgery, bringing the total number of arrests to 4,207 for the fiscal year. Cases of all types investigated by the Secret Service totaled 71,969, an increase of 12.8 percent.

Offenses investigated by the Secret Service resulted in the conviction of 3,717 persons. Of all Secret Service cases brought to trial this fiscal year, 97.6 percent resulted in convictions.

The trends in crimes over which this Service has jurisdiction remain generally consistent with nationwide trends in other crimes.

The growth and development of cooperation between all law enforcement agencies over the past several years has been responsible for much of the success of the Secret Service in keeping the crimes under its jurisdiction under control.

EXHIBITS

Public Debt Operations, Calls of Guaranteed Obligations, Regulations, and Legislation

Treasury Certificates of Indebtedness, Treasury Notes, and Treasury Bonds Offered and Allotted

EXHIBIT 1.—Treasury certificates of indebtedness

Two Treasury circulars representative of the four certificate offerings during the fiscal year 1963 are reproduced in this exhibit: a cash offering and an exchange offering. Circulars pertaining to the other certificate offerings are similar in form and therefore are not reproduced in this report. However, the essential details for each issue are summarized in the first table following the circulars and the final allotments of the new certificates issued for cash and in exchange for maturing or outstanding securities are shown in the second table.

DEPARTMENT CIRCULAR NO. 12-62. PUBLIC DEBT

TREASURY DEPARTMENT,
Washington, July 30, 1962.

I. OFFERING OF CERTIFICATES

1. The Secretary of the Treasury, pursuant to the authority of the Second Liberty Bond Act, as amended, invites subscriptions, subject to allotment, at par and accrued interest, from the people of the United States for certificates of indebtedness of the United States, designated 3½ percent Treasury certificates of indebtedness of Series C-1963. The amount of the offering under this circular is $6,500,000,000, or thereabouts. The following notes maturing August 15, 1962, will be accepted at par in payment or exchange, in whole or in part, for the certificates subscribed for, to the extent such subscriptions are allotted by the Treasury:

4 percent Treasury notes of Series B-1962; or
3¼ percent Treasury notes of Series G-1962.

The books will be open only on July 30, 1962, for the receipt of subscriptions for this issue.

II. DESCRIPTION OF CERTIFICATES

1. The certificates will be dated August 15, 1962, and will bear interest from that date at the rate of 3½ percent per annum, payable semiannually on February 15 and August 15, 1963. They will mature August 15, 1963, and will not be subject to call for redemption prior to maturity.

2. The income derived from the certificates is subject to all taxes imposed under the Internal Revenue Code of 1954. The certificates are subject to estate, inheritance, gift, or other excise taxes, whether Federal or State, but are exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority.

3. The certificates will be acceptable to secure deposits of public moneys. They will not be acceptable in payment of taxes.

4. Bearer certificates with interest coupons attached will be issued in denominations of $1,000, $5,000, $10,000, $100,000, $1,000,000, $100,000,000, and $500,000,000. The certificates will not be issued in registered form.

5. The certificates will be subject to the general regulations of the Treasury Department, now or hereafter prescribed, governing United States certificates.

III. SUBSCRIPTION AND ALLOTMENT

1. Subscriptions will be received at the Federal Reserve Banks and branches and at the Office of the Treasurer of the United States, Washington 25, D.C. Only the Federal Reserve Banks and the Treasury Department are authorized to act as official agencies. Commercial banks, which for this purpose are defined as banks accepting demand deposits, may submit subscriptions for account of customers provided the names of the customers are set forth in such subscriptions. Others than commercial banks will not be permitted to enter subscriptions except

for their own account. Subscriptions from commercial banks for their own account will be restricted in each case to an amount not exceeding 50 percent of the combined capital, surplus, and undivided profits of the subscribing bank. Subscriptions will be received without deposit from commercial and other banks for their own account, Federally-insured savings and loan associations, States, political subdivisions or instrumentalities thereof, public pension and retirement and other public funds, international organizations in which the United States holds membership, foreign central banks and foreign States, dealers who make primary markets in Government securities and report daily to the Federal Reserve Bank of New York their positions with respect to Government securities and borrowings thereon, Government investment accounts, and the Federal Reserve Banks. Subscriptions from all others must be accompanied by payment (in cash or in notes of the two issues enumerated in section I hereof, which will be accepted at par) of 2 percent of the amount of certificates applied for, not subject to withdrawal until after allotment. Registered notes submitted as deposits should be assigned as provided in section V hereof. Following allotment, any portion of the 2 percent payment in excess of 2 percent of the amount of certificates allotted may be released upon the request of the subscribers.

2. All subscribers are required to agree not to purchase or to sell, or to make any agreements with respect to the purchase or sale or other disposition of any certificates of this issue, until after midnight July 30, 1962.

3. Commercial banks in submitting subscriptions will be required to certify that they have no beneficial interest in any of the subscriptions they enter for the account of their customers, and that their customers have no beneficial interest in the banks' subscriptions for their own account.

4. The Secretary of the Treasury reserves the right to reject or reduce any subscription, to allot less than the amount of certificates applied for, and to make different percentage allotments to various classes of subscribers; and any action he may take in these respects shall be final. Subject to these reservations, all subscriptions from States, political subdivisions or instrumentalities thereof, public pension and retirement and other public funds, international organizations in which the United States holds membership, foreign central banks and foreign States, Government investment accounts, and the Federal Reserve Banks will be allotted in full. The basis of the allotment will be publicly announced, and allotment notices will be sent out promptly upon allotment.

IV. PAYMENT

1. Payment at par and accrued interest, if any, for certificates allotted hereunder must be made or completed on or before August 15, 1962, or on later allotment. In every case where payment is not so completed, the payment with application up to 2 percent of the amount of certificates allotted shall, upon declaration made by the Secretary of the Treasury in his discretion, be forfeited to the United States. Payment may be made for any certificates allotted hereunder in cash or by exchange of notes of the two series enumerated in section I hereof, which will be accepted at par. Where payment is made with bearer notes, coupons dated August 15, 1962, should be detached and cashed when due by holders. In the case of registered notes, the final interest due on August 15, 1962, will be paid by check drawn in accordance with the assignments on the notes surrendered, or by credit in any account maintained by a banking institution with the Federal Reserve Bank of its district.

V. ASSIGNMENT OF REGISTERED NOTES

1. Treasury notes of Series G–1962 in registered form tendered as deposits and in payment for certificates allotted hereunder should be assigned by the registered payees or assignees thereof to "The Secretary of the Treasury for 3½ percent Treasury certificates of indebtedness of Series C–1963 to be delivered to ----------", in accordance with the general regulations of the Treasury Department. Notes tendered in payment should be surrendered to a Federal Reserve Bank or branch or to the Office of the Treasurer of the United States, Washington 25, D.C. The notes must be delivered at the expense and risk of the holder.

VI. GENERAL PROVISIONS

1. As fiscal agents of the United States, Federal Reserve Banks are authorized and requested to receive subscriptions, to make allotments on the basis and up to the amounts indicated by the Secretary of the Treasury to the Federal Reserve Banks of the respective districts, to issue allotment notices, to receive payment

for certificates allotted, to make delivery of certificates on full-paid subscriptions allotted, and they may issue interim receipts pending delivery of the definitive certificates.

2. The Secretary of the Treasury may at any time, or from time to time, prescribe supplemental or amendatory rules and regulations governing the offering, which will be communicated promptly to the Federal Reserve Banks.

DOUGLAS DILLON,
Secretary of the Treasury.

DEPARTMENT CIRCULAR NO. 17-62. PUBLIC DEBT

TREASURY DEPARTMENT,
Washington, October 29, 1962.

I. OFFERING OF CERTIFICATES

1. The Secretary of the Treasury, pursuant to the authority of the Second Liberty Bond Act, as amended, invites subscriptions, at par, from the people of the United States for certificates of indebtedness of the United States, designated 3⅛ percent Treasury certificates of indebtedness of Series D-1963, in exchange for any of the following securities, singly or in combinations aggregating $1,000 or multiples thereof:

3¾ percent Treasury notes of Series C-1962, maturing November 15, 1962;
3¼ percent Treasury notes of Series H-1962, maturing November 15, 1962;
2¼ percent Treasury bonds of 1959-62, maturing December 15, 1962; or
2¾ percent Treasury bonds of 1960-65, called for redemption on December 15, 1962.

Interest will be adjusted in the case of the 2¼ percent Treasury bonds of 1959-62 and the 2¾ percent Treasury bonds of 1960-65 as set forth in section IV hereof. Delivery of the certificates will be made on November 15, 1962. The amount of the offering under this circular will be limited to the amount of eligible securities tendered in exchange and accepted. The books will be open only on October 29 through October 31, 1962, for the receipt of subscriptions for this issue.

2. In addition to the offering under this circular, holders of the eligible securities are offered the privilege of exchanging all or any part of such securities for 3½ percent Treasury notes of Series B-1965, or 4 percent Treasury bonds of 1972, which offerings are set forth in Department Circulars, Public Debt Series—Nos. 18-62 and 19-62, respectively, issued simultaneously with this circular.

II. DESCRIPTION OF CERTIFICATES

1. The certificates will be dated November 15, 1962, and will bear interest from that date at the rate of 3⅛ percent per annum, payable semiannually on May 15 and November 15, 1963. They will mature November 15, 1963, and will not be subject to call for redemption prior to maturity.

2. The income derived from the certificates is subject to all taxes imposed under the Internal Revenue Code of 1954. The certificates are subject to estate, inheritance, gift, or other excise taxes, whether Federal or State, but are exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority.

3. The certificates will be acceptable to secure deposits of public moneys. They will not be acceptable in payment of taxes.

4. Bearer certificates with interest coupons attached will be issued in denominations of $1,000, $5,000, $10,000, $100,000, $1,000,000, $100,000,000, and $500,000,000. The certificates will not be issued in registered form.

5. The certificates will be subject to the general regulations of the Treasury Department, now or hereafter prescribed, governing United States certificates.

III. SUBSCRIPTION AND ALLOTMENT

1. Subscriptions will be received at the Federal Reserve Banks and branches and at the Office of the Treasurer of the United States, Washington 25, D.C. Banking institutions generally may submit subscriptions for account of customers, but only the Federal Reserve Banks and the Treasury Department are authorized to act as official agencies.

2. The Secretary of the Treasury reserves the right to reject or reduce any subscription, and to allot less than the amount of certificates applied for; and any action he may take in these respects shall be final. Subject to these reserva-

tions, all subscriptions will be allotted in full. Allotment notices will be sent out promptly upon allotment.

IV. PAYMENT

1. Payment for the face amount of certificates allotted hereunder must be made on the date shown in paragraphs 2, 3, and 4 below, and may be made only in securities of the four issues enumerated in section I hereof, which will be accepted at par, and should accompany the subscription.

2. *3¾ percent notes of Series C–1962 and 3¼ percent notes of Series H–1962.* Payment with maturing notes of Series C–1962 or Series H–1962 must be completed on or before November 15, 1962, or on later allotment. Coupons dated November 15, 1962, should be detached from notes in bearer form and cashed when due. In the case of registered notes of Series H–1962, the final interest due on November 15, 1962, will be paid, following discharge of registration, by check drawn in accordance with the assignments on the notes surrendered, or by credit in any account maintained by a banking institution with the Federal Reserve Bank of its district.

3. *2¼ percent bonds of 1959–62.* Payment with bonds of 1959–62 must be completed on or before November 15 ,1962, or on later allotment. Coupons dated December 15, 1962, must be attached to the bonds in bearer form when surrendered. Accrued interest from June 15, 1962, to November 15, 1962 ($9.40574 per $1,000), will be paid to subscribers and the payments will be made in the case of bearer bonds following their acceptance and in the case of registered bonds following discharge of registration. In the case of registered bonds, the payment will be made by check drawn in accordance with the assignments on the bonds surrendered, or by credit in any account maintained by a banking institution with the Federal Reserve Bank of its district.

4. *2¾ percent bonds of 1960–65, called for redemption on December 15, 1962.* Payment with the called bonds of 1960–65 must be completed on or before November 15, 1962, or on later allotment, together with accrued interest from November 15, 1962, to December 15, 1962 ($2.58978 per $1,000), on the certificates to be issued. Coupons dated December 15, 1962, should be detached from bonds in bearer form and cashed when due. Coupons dated June 15, 1963, and all subsequent coupons, must be attached to the called bonds in bearer form when surrendered. Final interest due December 15, 1962, on registered bonds will be paid on December 15, 1962, following discharge of registration, by check drawn in accordance with the assignments on the bonds surrendered, or by credit in any account maintained by a banking institution with the Federal Reserve Bank of its district. Delivery of the certificates will be made upon completion of payment therefor on November 15, 1962.

V. ASSIGNMENT OF REGISTERED SECURITIES

1. Treasury notes of Series H–1962 and Treasury bonds of 1959–62 and 1960–65 in registered form tendered in payment for certificates offered hereunder should be assigned by the registered payees or assignees thereof to "The Secretary of the Treasury for exchange for 3⅛ percent Treasury certificates of indebtedness of Series D–1963 to be delivered to ____________________", in accordance with the general regulations of the Treasury Department governing assignments for transfer or exchange, and thereafter should be surrendered with the subscription to a Federal Reserve Bank or branch or to the Office of the Treasurer of the United States, Washington 25, D.C. The securities must be delivered at the expense and risk of the holder.

VI. GENERAL PROVISIONS

1. As fiscal agents of the United States, Federal Reserve Banks are authorized and requested to receive subscriptions, to make allotments on the basis and up to the amounts indicated by the Secretary of the Treasury to the Federal Reserve Banks of the respective districts, to issue allotment notices, to receive payment for certificates allotted, to make delivery of certificates on full-paid subscriptions allotted, and they may issue interim receipts pending delivery of the definitive certificates.

2. The Secretary of the Treasury may at any time, or from time to time, prescribe supplemental or amendatory rules and regulations governing the offering, which will be communicated promptly to the Federal Reserve Banks.

DOUGLAS DILLON,
Secretary of the Treasury.

Summary of information pertaining to Treasury certificates of indebtedness issued during the fiscal year 1963

Date of preliminary announcement	Department circular		Concurrent offering circular number	Certificates of indebtedness offered for exchange or for cash	Date of issue	Date of maturity	Date subscription books closed	Allotment payment date on or before (or on later allotment)
	Number	Date						
1962		*1962*			*1962*	*1963*	*1962*	*1962*
July 26	12-62	July 30	13-62, 14-62	3½ percent Series C-1963 issued at par—	Aug. 15	Aug. 15	July 30	[1] Aug. 15
Oct. 25	17-62	Oct. 29	18-62, 19-62	3⅛ percent Series D-1963 issued at par in exchange for—	Nov. 15	Nov. 15	Oct. 31	[2] Nov. 15
				3¾ percent Series C-1962 notes maturing Nov. 15, 1962,				
				3¼ percent Series H-1962 notes maturing Nov. 15, 1962,				
				2¼ percent Treasury bonds of 1959-62 maturing Dec. 15, 1962,				
				2¾ percent Treasury bonds of 1960-65 called for redemption on Dec. 15, 1962.				
1963		*1963*			*1963*	*1964*	*1963*	*1963*
Jan. 30	2-63	Feb. 4	3-63	3¼ percent Series A-1964 issued at par in exchange for—	Feb. 15	Feb. 15	Feb. 6	[3] Feb. 15
				3½ percent Series A-1963 certificates maturing Feb. 15, 1963,				
				2⅝ percent Series A-1963 notes maturing Feb. 15, 1963,				
				3¼ percent Series E-1963 notes maturing Feb. 15, 1963.				
Apr. 24	8-63	Apr. 25	9-63	3¼ percent Series B-1964 issued at par in exchange for—	May 15	May 15	May 1	[4] May 15
				3¼ percent Series B-1963 certificates maturing May 15, 1963,				
				4 percent Series B-1963 notes maturing May 15, 1963,				
				3¼ percent Series D-1963 notes maturing May 15, 1963.				

[1] See Department Circular No. 12-62, secs. III and IV, in this exhibit, for provisions for subscription and payment. Holders of 4 percent Treasury notes of Series B-1962 or 3¼ percent Treasury notes of Series G-1962 which matured Aug. 15, 1962, were not offered preemptive rights to exchange their holdings for the new certificates. Payment for cash subscriptions allotted could be made in whole or in part in cash or by exchange of the Series B-1962 or Series G-1962 notes.

[2] See Department Circular No. 17-62, secs. III and IV, in this exhibit, for provisions for subscription and payment.

[3] Coupons dated Feb. 15, 1963, were detached from the certificates and notes in bearer form and cashed when due.

[4] Coupons dated May 15, 1963, were detached from the certificates and notes in bearer form and cashed when due.

707-484—64——14

Allotments of Treasury certificates of indebtedness issued during the fiscal year 1963, by Federal Reserve districts

[In thousands]

Federal Reserve district	3½ percent Series C-1963 certificates [1]	3⅛ percent Series D-1963 certificates issued in exchange for [2]—				
		3¾ percent Series C-1962 Treasury notes maturing Nov. 15, 1962 [3]	3¼ percent Series H-1962 Treasury notes maturing Nov. 15, 1962 [3]	2¼ percent Treasury bonds of 1959–62 maturing Dec. 15, 1962 [3]	2¾ percent Treasury bonds of 1960–65 called for redemption on Dec. 15, 1962 [3]	Total issued
Boston	$117,476	$5,686	$27,859	$7,043	$1,549	$42,137
New York	5,137,661	60,986	3,687,708	445,442	41,184	4,235,320
Philadelphia	60,328	1,852	18,772	3,304	2,520	26,448
Cleveland	158,093	13,091	23,114	6,383	648	43,236
Richmond	111,410	4,527	26,300	11,587	2,964	45,378
Atlanta	111,295	5,250	28,837	17,695	1,150	52,932
Chicago	337,383	13,064	99,000	34,093	58,536	204,693
St. Louis	164,210	4,486	46,792	7,517	8,324	67,119
Minneapolis	40,859	2,702	21,046	2,022	516	26,286
Kansas City	142,515	4,604	17,620	8,157	600	30,981
Dallas	67,234	1,237	17,788	13,084	333	32,442
San Francisco	398,653	3,378	21,688	12,892	2,853	40,811
Treasury	4,317	40	7,684	155	2	7,881
Total certificate allotments	6,851,434	120,903	4,044,208	569,374	121,179	4,855,664
Securities eligible for exchange:						
Exchanged in concurrent offerings		930,220	1,926,013	1,481,316	1,291,470	5,629,019
Total exchanged		1,051,123	5,970,221	2,050,690	1,412,649	10,484,683
Not submitted for exchange		91,833	111,574	218,785	72,734	494,926
Total securities eligible for exchange		1,142,956	6,081,795	2,269,475	1,485,383	10,979,609

Footnotes at end of table.

Allotments of Treasury certificates of indebtedness issued during the fiscal year 1963, by Federal Reserve districts—Continued

[In thousands]

Federal Reserve district	3¼ percent Series A-1964 certificates issued in exchange for—[2]				3¼ percent Series B-1964 certificates issued in exchange for—[2]			
	3½ percent Series A-1963 certificates maturing Feb. 15, 1963 [4]	2⅝ percent Series A-1963 Treasury notes maturing Feb. 15, 1963 [4]	3¼ percent Series E-1963 Treasury notes maturing Feb. 15, 1963 [4]	Total issued	3¼ percent Series B-1963 certificates maturing May 15, 1963 [5]	4 percent Series B-1963 Treasury notes maturing May 15, 1963 [5]	3¼ percent Series D-1963 Treasury notes maturing May 15, 1963 [5]	Total issued
Boston	$62,008	$18,399	$47,027	$127,434	$51,691	$19,743	$67,598	$139,032
New York	3,976,356	393,379	695,647	5,065,382	3,071,107	128,446	1,134,435	4,333,988
Philadelphia	20,183	6,882	36,504	63,569	30,173	6,035	27,201	63,409
Cleveland	83,784	16,836	55,834	156,454	62,801	21,041	56,670	140,512
Richmond	18,800	6,000	30,154	54,954	22,919	10,664	24,673	58,256
Atlanta	46,860	19,239	46,253	112,352	72,028	11,025	41,177	124,230
Chicago	159,295	72,378	156,968	388,641	192,145	36,419	100,805	329,369
St. Louis	53,411	21,220	71,452	146,083	64,896	11,292	43,406	119,594
Minneapolis	20,489	6,513	23,279	50,281	15,273	10,665	17,743	43,681
Kansas City	40,987	37,255	33,904	112,146	81,903	11,360	31,850	125,113
Dallas	27,315	18,812	42,331	88,458	21,295	11,076	28,953	61,324
San Francisco	169,678	35,107	146,141	350,926	76,640	8,871	58,766	144,277
Treasury	13,009	315	11,210	24,534	5,173	2,511	2,691	10,375
Total certificate allotments	4,692,175	652,335	1,396,704	6,741,214	3,768,044	289,148	1,635,968	5,693,160
Securities eligible for exchange:								
Exchanged in concurrent offerings	967,722	743,403	778,694	2,489,819	1,399,568	628,299	1,244,771	3,272,638
Total exchanged	5,659,897	1,395,738	2,175,398	9,231,033	5,167,612	917,447	2,880,739	8,965,798
Not submitted for exchange	58,947	91,133	83,709	233,789	116,865	265,916	146,110	528,891
Total securities eligible for exchange	5,718,844	1,486,871	2,259,107	9,464,822	5,284,477	1,183,363	3,026,849	9,494,689

[1] Subscriptions from States, political subdivisions or instrumentalities thereof, public pension and retirement and other public funds, international organizations in which the United States holds membership, foreign central banks and foreign States, Government investment accounts, and the Federal Reserve Banks, were allotted in full. Subscriptions from all others in amounts up to $50,000, were allotted in full; amounts over $50,000 were allotted 12½ percent, but not less than $50,000 to any one subscriber.

[2] Subscriptions were allotted in full.

[3] 3½ percent Treasury notes of Series B-1965 and 4 percent Treasury bonds of 1972 were also offered in exchange for these securities.

[4] 3¾ percent Treasury bonds of 1968 were also offered in exchange for these securities.

[5] 3⅝ percent Treasury notes of Series B-1966 were also offered in exchange for these securities.

EXHIBIT 2.—Treasury notes

Two Treasury circulars, one containing an exchange offering and the other an advance refunding exchange offering, are reproduced in this exhibit. The circulars pertaining to the other note offerings during 1963 are similar in form and therefore are not reproduced in this report. However, the essential details for each issue are summarized in the first table following the circulars and the final allotments of the new notes issued for cash or in exchange are shown in the second table.

DEPARTMENT CIRCULAR NO. 15–62. PUBLIC DEBT

TREASURY DEPARTMENT,
Washington, September 10, 1962.

I. OFFERING OF NOTES

1. The Secretary of the Treasury, pursuant to the authority of the Second Liberty Bond Act, as amended, invites subscriptions from the people of the United States for notes of the United States, designated 3¾ percent Treasury notes of Series A–1967:

(1) at 99.50 percent of their face value in exchange for 3½ percent Treasury certificates of indebtedness of Series A–1963, dated February 15, 1962, due February 15, 1963;
(2) at 99.90 percent of their face value in exchange for 2⅝ percent Treasury notes of Series A–1963, dated April 15, 1958, due February 15, 1963;
(3) at 99.60 percent of their face value in exchange for 3¼ percent Treasury notes of Series E–1963, dated November 15, 1961, due February 15, 1963;
(4) at 99.60 percent of their face value in exchange for 3¼ percent Treasury certificates of indebtedness of Series B–1963, dated May 15, 1962, due May 15, 1963;
(5) at 99.60 percent of their face value in exchange for 3¼ percent Treasury notes of Series D–1963, dated May 15, 1961, due May 15, 1963; or
(6) at 99.00 percent of their face value in exchange for 4 percent Treasury notes of Series B–1963, dated April 1, 1959, due May 15, 1963.

Interest adjustments as of September 15, 1962, and the cash payments due to the subscriber on account of the issue prices of the new notes will be made as set forth in section IV hereof. Subscriptions are invited up to an amount not to exceed $6,000,000,000, or thereabouts. If subscriptions exceed this amount they will be received subject to allotment. In addition to the amount offered for public subscription, exchange subscriptions from Government investment accounts will be allotted in full. Delivery of the new notes will be made on September 20, 1962. The books will be open only on September 10 through September 12, 1962, for the receipt of subscriptions for this issue.

2. In addition to the offering under this circular, holders of the eligible securities are offered the privilege of exchanging all or any part of such securities for 4 percent Treasury bonds of 1972, which offering is set forth in Department Circular, Public Debt Series—No. 16–62, issued simultaneously with this circular.

3. *Nonrecognition of gain or loss for Federal income tax purposes.*—Pursuant to the provisions of section 1037(a) of the Internal Revenue Code of 1954 as added by Public Law 86–346 (approved September 22, 1959), the Secretary of the Treasury hereby declares that no gain or loss shall be recognized for Federal income tax purposes upon the exchange with the United States of the eligible securities enumerated in paragraph one of this section solely for the 3¾ percent Treasury notes of Series A–1967. Section 1031(b) of the Code, however, requires recognition of any gain realized on the exchange to the extent that money is received by the security holder in connection with the exchange. To the extent not recognized at the time of the exchange, gain or loss, if any, upon the obligations surrendered in exchange will be taken into account upon the disposition or redemption of the new obligations.

II. DESCRIPTION OF NOTES

1. The notes will be dated September 15, 1962, and will bear interest from that date at the rate of 3¾ percent per annum, payable on a semiannual basis on February 15 and August 15, 1963, and thereafter on February 15 and August 15 in each year until the principal amount becomes payable. They will mature August 15, 1967, and will not be subject to call for redemption prior to maturity.

2. The income derived from the notes is subject to all taxes imposed under the Internal Revenue Code of 1954. The notes are subject to estate, inheritance, gift, or other excise taxes, whether Federal or State, but are exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority.

3. The notes will be acceptable to secure deposits of public moneys. They will not be acceptable in payment of taxes.

4. Bearer notes with interest coupons attached, and notes registered as to principal and interest, will be issued in denominations of $1,000, $5,000, $10,000, $100,000, $1,000,000, $100,000,000, and $500,000,000. Provision will be made for the interchange of notes of different denominations and of coupon and registered notes, and for the transfer of registered notes, under rules and regulations prescribed by the Secretary of the Treasury.

5. The notes will be subject to the general regulations of the Treasury Department, now or hereafter prescribed, governing United States notes.

III. SUBSCRIPTION AND ALLOTMENT

1. Subscriptions will be received at the Federal Reserve Banks and branches and at the Office of the Treasurer of the United States, Washington 25, D.C. Banking institutions generally may submit subscriptions for account of customers, provided the names of the customers are set forth in such subscriptions, but only the Federal Reserve Banks and the Treasury Department are authorized to act as official agencies. Subscriptions will be received without deposit from banking institutions for their own account, Federally-insured savings and loan associations, States, political subdivisions or instrumentalities thereof, public pension and retirement and other public funds, international organizations in which the United States holds membership, foreign central banks and foreign States, Federal Reserve Banks and Government investment accounts. Subscriptions from all others must be accompanied by the deposit of any of the eligible securities enumerated in paragraph one of section I hereof, in the face amount of not less than 10 percent of the amount of notes applied for, not subject to withdrawal, until after allotment. Registered securities submitted as deposits should not be assigned. After allotment detached assignment forms may be used as provided in section V hereof.

2. The Secretary of the Treasury reserves the right to reject or reduce any subscription, to allot less than the amount of notes applied for, and to make different percentage allotments to various classes of subscribers; and any action he may take in these respects shall be final. The basis of the allotment will be publicly announced and allotment notices will be sent out promptly upon allotment.

IV. PAYMENT

1. Payment for the face amount of notes allotted hereunder must be made on or before September 20, 1962, or on later allotment, and may be made only in a like face amount of securities of the six issues enumerated in paragraph one of section I hereof. In every case where payment is not so completed, the payment with application up to 10 percent of the notes allotted shall, upon declaration made by the Secretary of the Treasury in his discretion, be forfeited to the United States.

2. *3½ percent certificates of indebtedness of Series A–1963.*—Coupons dated February 15, 1963, must be attached to the certificates when surrendered. Accrued interest from August 15 to September 15, 1962 ($2.94837 per $1,000) plus the payment ($5.00 per $1,000) due to the subscriber on account of the issue price of the notes will be paid to subscribers following acceptance of the certificates.

3. *2⅝ percent notes of Series A–1963.*—Coupons dated February 15, 1963, must be attached to the notes when surrendered. Accrued interest from August 15 to September 15, 1962 ($2.21128 per $1,000) plus the payment ($1.00 per $1,000) due to the subscriber on account of the issue price of the new notes will be paid to subscribers following acceptance of the notes.

4. *3¼ percent notes of Series E–1963.*—Coupons dated February 15, 1963, must be attached to the notes in bearer form when surrendered. Accrued interest from August 15 to September 15, 1962 ($2.73777 per $1,000) plus the payment ($4.00 per $1,000) due to the subscriber on account of the issue price of the new notes will be paid to subscribers. Payments will be made in the case of bearer notes following their acceptance and in the case of registered notes following discharge of registration. In the case of registered notes, the payment

will be made by check drawn in accordance with the assignments on the notes surrendered, or by credit in any account maintained by a banking institution with the Federal Reserve Bank of its district.

5. *3¼ percent certificates of indebtedness of Series B–1963.*—Coupons dated November 15, 1962, and May 15, 1963, must be attached to the certificates when surrendered. Accrued interest from May 15 to September 15, 1962 ($10.86277 per $1,000) plus the payment ($4.00 per $1,000) due to the subscriber on account of the issue price of the notes will be paid to subscribers following acceptance of the certificates.

6. *3¼ percent notes of Series D–1963.*—Coupons dated November 15, 1962, and May 15, 1963, must be attached to the notes in bearer form when surrendered. Accrued interest from May 15 to September 15, 1962 ($10.86277 per $1,000) plus the payment ($4.00 per $1,000) due to the subscriber on account of the issue price of the new notes will be paid to subscribers. Payments will be made in the case of bearer notes following their acceptance and in the case of registered notes following discharge of registration. In the case of registered notes, the payment will be made by check drawn in accordance with the assignments on the notes surrendered, or by credit in any account maintained by a banking institution with the Federal Reserve Bank of its district.

7. *4 percent notes of Series B–1963.*—Coupons dated November 15, 1962, and May 15, 1963, must be attached to the notes when surrendered. Accrued interest from May 15 to September 15, 1962 ($13.36957 per $1,000) plus the payment ($10.00 per $1,000) due to the subscriber on account of the issue price of the new notes will be paid to subscribers following acceptance of the notes.

V. ASSIGNMENT OF REGISTERED SECURITIES

1. After allotment Treasury notes of Series D–1963 and Series E–1963 in registered form tendered in payment for notes offered hereunder should be assigned by the registered payees or assignees thereof, in accordance with the general regulations of the Treasury Department governing assignments for transfer or exchange, in one of the forms hereafter set forth, and thereafter should be surrendered to a Federal Reserve Bank or branch or to the Office of the Treasurer of the United States, Washington 25, D.C. The securities must be delivered at the expense and risk of the holder. If the new notes are desired registered in the same name as the securities surrendered in exchange, the assignment should be to "The Secretary of the Treasury for exchange for 3¾ percent Treasury notes of Series A–1967"; if the new notes are desired registered in another name, the assignment should be to "The Secretary of the Treasury for exchange for 3¾ percent Treasury notes of Series A–1967 in the name of --------------"; if new notes in coupon form are desired, the assignment should be to "The Secretary of the Treasury for exchange for 3¾ percent Treasury notes of Series A–1967 in coupon form to be delivered to --------------". Detached assignment forms may be used for the convenience of subscribers.

VI. GENERAL PROVISIONS

1. As fiscal agents of the United States, Federal Reserve Banks are authorized and requested to receive subscriptions, to make allotments on the basis and up to the amounts indicated by the Secretary of the Treasury to the Federal Reserve Banks of the respective districts, to issue allotment notices, to receive payment for notes allotted, to make delivery of notes on full-paid subscriptions allotted, and they may issue interim receipts pending delivery of the definitive notes.

2. The Secretary of the Treasury may at any time, or from time to time, prescribe supplemental or amendatory rules and regulations governing the offering, which will be communicated promptly to the Federal Reserve Banks.

DOUGLAS DILLON,
Secretary of the Treasury.

DEPARTMENT CIRCULAR NO. 18–62. PUBLIC DEBT

TREASURY DEPARTMENT,
Washington, October 29, 1962.

I. OFFERING OF NOTES

1. The Secretary of the Treasury, pursuant to the authority of the Second Liberty Bond Act, as amended, invites subscriptions, at par, from the people of

the United States for notes of the United States, designated 3½ percent Treasury notes of Series B–1965, in exchange for any of the following securities, singly or in combinations aggregating $1,000 or multiples thereof:

3¾ percent Treasury notes of Series C–1962, maturing November 15, 1962;
3¼ percent Treasury notes of Series H–1962, maturing November 15, 1962;
2¼ percent Treasury bonds of 1959–62, maturing December 15, 1962; or
2¾ percent Treasury bonds of 1960–65, called for redemption on December 15, 1962.

Interest will be adjusted in the case of the 2¼ percent Treasury bonds of 1959–62 and the 2¾ percent Treasury bonds of 1960–65 as set forth in section IV hereof. Delivery of the new notes will be made on November 15, 1962. The amount of the offering under this circular will be limited to the amount of eligible securities tendered in exchange and accepted. The books will be open only on October 29 through October 31, 1962, for the receipt of subscriptions for this issue.

2. In addition to the offering under this circular, holders of the eligible securities are offered the privilege of exchanging all or any part of such securities for 3⅛ percent Treasury certificates of indebtedness of Series D–1963, or 4 percent Treasury bonds of 1972, which offerings are set forth in Department Circulars, Public Debt Series—Nos. 17–62 and 19–62, respectively, issued simultaneously with this circular.

II. DESCRIPTION OF NOTES

1. The notes will be dated November 15, 1962, and will bear interest from that date at the rate of 3½ percent per annum, payable semiannually on May 15 and November 15 in each year until the principal amount becomes payable. They will mature November 15, 1965, and will not be subject to call for redemption prior to maturity.

2. The income derived from the notes is subject to all taxes imposed under the Internal Revenue Code of 1954. The notes are subject to estate, inheritance, gift, or other excise taxes, whether Federal or State, but are exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority.

3. The notes will be acceptable to secure deposits of public moneys. They will not be acceptable in payment of taxes.

4. Bearer notes with interest coupons attached, and notes registered as to principal and interest, will be issued in denominations of $1,000, $5,000, $10,000, $100,000, $1,000,000, $100,000,000, and $500,000,000. Provision will be made for the interchange of notes of different denominations and of coupon and registered notes, and for the transfer of registered notes, under rules and regulations prescribed by the Secretary of the Treasury.

5. The notes will be subject to the general regulations of the Treasury Department, now or hereafter prescribed, governing United States notes.

III. SUBSCRIPTION AND ALLOTMENT

1. Subscriptions will be received at the Federal Reserve Banks and branches and at the Office of the Treasurer of the United States, Washington 25, D.C. Banking institutions generally may submit subscriptions for account of customers but only the Federal Reserve Banks and the Treasury Department are authorized to act as official agencies.

2. The Secretary of the Treasury reserves the right to reject or reduce any subscription, and to allot less than the amount of notes applied for; and any action he may take in these respects shall be final. Subject to these reservations, all subscriptions will be allotted in full. Allotment notices will be sent out promptly upon allotment.

IV. PAYMENT

1. Payment for the face amount of notes allotted hereunder must be made on the date shown in paragraphs 2, 3, and 4 below, and may be made only in securities of the four issues enumerated in section I hereof, which will be accepted at par, and should accompany the subscription.

2. *3¾ percent notes of Series C–1962 and 3¼ percent notes of Series H–1962.* Payment with maturing notes of Series C–1962 or Series H–1962 must be completed

on or before November 15, 1962, or on later allotment. Coupons dated November 15, 1962, should be detached from notes in bearer form and cashed when due. In the case of registered notes of Series H–1962, the final interest due on November 15, 1962, will be paid, following discharge of registration, by check drawn in accordance with the assignments on the notes surrendered, or by credit in any account maintained by a banking institution with the Federal Reserve Bank of its district.

3. *2¼ percent bonds of 1959–62.* Payment with bonds of 1959–62 must be completed on or before November 15, 1962, or on later allotment. Coupons dated December 15, 1962, must be attached to the bonds in bearer form when surrendered. Accured interest from June 15, 1962, to November 15, 1962 ($9.40574 per $1,000) will be paid to subscribers and the payments will be made in the case of bearer bonds following their acceptance and in the case of registered bonds following discharge of registration. In the case of registered bonds, the payment will be made by check drawn in accordance with the assignments on the bonds surrendered, or by credit in any account maintained by a banking institution with the Federal Reserve Bank of its district.

4. *2¾ percent bonds of 1960–65, called for redemption on December 15, 1962.* Payment with the called bonds of 1960–65 must be completed on or before November 15, 1962, or on later allotment, together with accrued interest from November 15, 1962, to December 15, 1962 ($2.90055 per $1,000), on the new notes to be issued. Coupons dated December 15, 1962, should be detached from bonds in bearer form and cashed when due. Coupons dated June 15, 1963, and all subsequent coupons, must be attached to the called bonds in bearer form when surrendered. Final interest due December 15, 1962, on registered bonds will be paid on December 15, 1962, following discharge of registration, by check drawn in accordance with the assignments on the bonds surrendered, or by credit in any account maintained by a banking institution with the Federal Reserve Bank of its district. Delivery of the new notes will be made upon completion of payment therefor on November 15, 1962.

V. ASSIGNMENT OF REGISTERED SECURITIES

1. Treasury notes of Series H–1962 and Treasury bonds of 1959–62 and 1960–65 in registered form tendered in payment for notes offered hereunder should be assigned by the registered payees or assignees thereof, in accordance with the general regulations of the Treasury Department governing assignments for transfer or exchange, in one of the forms hereafter set forth, and thereafter should be surrendered with the subscription to a Federal Reserve Bank or branch or to the Office of the Treasurer of the United States, Washington 25, D.C. The securities must be delivered at the expense and risk of the holder. If the new notes are desired registered in the same name as the securities surrendered, the assignment should be to "The Secretary of the Treasury for exchange for 3½ percent Treasury notes of Series B–1965"; if the new notes are desired registered in another name, the assignment should be to "The Secretary of the Treasury for exchange for 3½ percent Treasury notes of Series B–1965 in the name of -------------"; if new notes in coupon form are desired, the assignment should be to "The Secretary of the Treasury for exchange for 3½ percent Treasury notes of Series B–1965 in coupon form to be delivered to --".

VI. GENERAL PROVISIONS

1. As fiscal agents of the United States, Federal Reserve Banks are authorized and requested to receive subscriptions, to make allotments on the basis and up to the amounts indicated by the Secretary of the Treasury to the Federal Reserve Banks of the respective districts, to issue allotment notices, to receive payment for notes allotted, to make delivery of notes on full-paid subscriptions allotted, and they may issue interim receipts pending delivery of the definitive notes.

2. The Secretary of the Treasury may at any time, or from time to time, prescribe supplemental or amendatory rules and regulations governing the offering, which will be communicated promptly to the Federal Reserve Banks.

Douglas Dillon,
Secretary of the Treasury.

Summary of information pertaining to Treasury notes issued during the fiscal year 1963

Date of preliminary announcement	Department circular: Number	Department circular: Date	Concurrent exchange offering circular number	Treasury notes offered for exchange	Date of issue	Date of maturity	Date subscription books closed	Allotment payment date on or before (or on later allotment)
1962 Sept. 5	15-62	*1962* Sept. 10	16-62	3¾ percent Series A-1967 issued at prices indicated below in exchange for— 3½ percent Series A-1963 certificates maturing Feb. 15, 1963 (99.50); 2⅝ percent Series A-1963 notes maturing Feb. 15, 1963 (99.90); 3¼ percent Series E-1963 notes maturing Feb. 15, 1963 (99.60); 3¼ percent Series B-1963 certificates maturing May 15, 1963 (99.60); 3¼ percent Series D-1963 notes maturing May 15, 1963 (99.60); 4 percent Series B-1963 notes maturing May 15, 1963 (99.00).	*1962* Sept. 15	*1967* Aug. 15	*1962* Sept. 12	*1962* [1] Sept. 20
Oct. 25	18-62	Oct. 29	17-62, 19-62	3½ percent Series B-1965 issued at par in exchange for— 3¾ percent Series C-1962 notes maturing Nov. 15, 1962; 3¼ percent Series H-1962 notes maturing Nov. 15, 1962; 2¼ percent Treasury bonds of 1959-62 maturing Dec. 15, 1962; 2¾ percent Treasury bonds of 1960-65, called for redemption on Dec. 15, 1962.	Nov. 15	*1965* Nov. 15	Oct. 31	[2] Nov. 15
1963 Feb. 20	4-63	*1963* Feb. 21	5-63, 6-63	3⅝ percent Series B-1967 issued at prices indicated below in exchange for— 3½ percent Series C-1963 certificates maturing Aug. 15, 1963 (99.50); 2½ percent Treasury bonds of 1963 maturing Aug. 15, 1963 (99.90); 3⅛ percent Series D-1963 certificates maturing Nov. 15, 1963 (99.70); 3 percent Treasury bonds of 1964 maturing Feb. 15, 1964 (99.90).	*1963* 15	*1967* Feb. 15	*1963* Feb. 28 [3]	*1963* [4] Mar. 15
Apr. 24	9-63	Apr. 25	8-63	3⅝ percent Series B-1966 (additional issue) issued at par in exchange for— 3¼ percent Series B-1963 certificates maturing May 15, 1963; 4 percent Series B-1963 notes maturing May 15, 1963; 3¼ percent Series D-1963 notes maturing May 15, 1963.	*1962* May 15 [5]	*1966* Feb. 15	May 1	[6] May 15

[1] See Department Circular No. 15-62, secs. III and IV, in this exhibit, for provisions for subscription and payment.
[2] See Department Circular No. 18-62, secs. III and IV, in this exhibit, for provisions for subscription and payment.
[3] In addition, subscriptions were accepted from individuals through Mar. 8, 1963. For this purpose individuals were defined as natural persons in their own right.
[4] Coupons dated Aug. 15, 1963, were required to be attached to the 3½ percent certificates when surrendered. Accrued interest from Feb. 15 to Mar. 15, 1963, ($2.70718 per $1,000), plus the payment of $5.00 per $1,000 due to the subscriber on account of the issue price of the notes was paid to subscribers. Coupons dated Aug. 15, 1963, were required to be attached to the 2½ percent bonds in bearer form when surrendered. Accrued interest from Feb. 15 to Mar. 15, 1963, ($1.93370 per $1,000), plus the payment of $1.00 per $1,000 due to the subscriber on account of the issue price of the notes was paid to subscribers. Coupons dated May 15 and Nov. 15, 1963, were required to be attached to the 3⅛ percent certificates when surrendered. Accrued interest from Nov. 15, 1962, to Mar. 15, 1963 ($10.35912 per $1,000), plus the payment of $3.00 per $1,000 due to the subscriber on account of the issue price of the notes was paid to subscribers. Coupons dated Aug. 15, 1963, and Feb. 15, 1964, were required to be attached to the 3 percent bonds in bearer form when surrendered. Accrued interest from Feb. 15 to Mar. 15, 1963 ($2.32044 per $1,000), plus the payment of $1.00 per $1,000 due to the subscriber on account of the issue price of the notes was paid to subscribers.
[5] Interest payable from May 15, 1963.
[6] Coupons dated May 15, 1963, were required to be detached from the maturing certificates and notes in bearer form and cashed when due. Accrued interest from Feb. 15 to May 15, 1963, ($8.91229 per $1,000) on the new notes allotted was paid by subscribers.

Allotments of Treasury notes issued during the fiscal year 1963, by Federal Reserve districts

[In thousands]

Federal Reserve district	3¾ percent Series A-1967 Treasury notes issued in exchange for—[1]						
	3½ percent Series A-1963 certificates maturing Feb. 15, 1963 [2]	2⅝ percent Series A-1963 Treasury notes maturing Feb. 15, 1963 [2]	3¼ percent Series E-1963 Treasury notes maturing Feb. 15, 1963 [2]	3¼ percent Series B-1963 certificates maturing May 15, 1963 [2]	3¼ percent Series D-1963 Treasury notes maturing May 15, 1963 [2]	4 percent Series B-1963 Treasury notes maturing May 15, 1963 [2]	Total issued
Boston	$17,541	$42,667	$15,425	$4,216	$46,701	$33,368	$159,918
New York	463,833	487,609	329,872	55,943	538,911	429,234	2,305,402
Philadelphia	12,538	22,964	27,984	4,224	53,065	33,804	154,579
Cleveland	63,973	47,293	49,772	36,532	169,411	79,516	446,497
Richmond	8,519	34,726	47,326	3,404	34,299	15,502	143,776
Atlanta	18,739	29,285	53,062	7,122	38,975	20,744	167,927
Chicago	90,421	157,147	148,915	25,465	191,087	191,653	804,688
St. Louis	25,284	35,902	32,332	5,024	34,736	37,279	170,557
Minneapolis	11,630	14,235	32,367	11,448	24,342	17,684	111,706
Kansas City	20,949	31,929	46,214	11,781	40,665	24,983	176,521
Dallas	9,447	18,796	31,168	8,291	22,641	38,907	129,250
San Francisco	28,733	29,756	277,572	7,192	100,528	56,688	500,469
Treasury	777	258	1,452	243	5,502	2,006	10,238
Total note allotments	772,384	952,567	1,093,461	180,885	1,300,863	981,368	5,281,528
Securities eligible for exchange:							
Exchanged in concurrent offerings	370,327	448,678	259,021	378,792	719,740	401,989	2,578,547
Total exchanged	1,142,711	1,401,245	1,352,482	559,677	2,020,603	1,383,357	7,860,075
Not submitted for exchange	5,718,844	1,438,108	2,289,982	6,126,045	3,026,849	359,683	18,959,511
Total securities eligible for exchange	6,861,555	2,839,353	3,642,464	6,685,722	5,047,452	1,743,040	26,819,586

Footnotes at end of table.

Allotments of Treasury notes issued during the fiscal year 1963, by Federal Reserve districts—Continued

[In thousands]

Federal Reserve district	3½ percent Series B-1965 Treasury notes issued in exchange for—[3]				
	3¾ percent Series C-1962 Treasury notes maturing Nov. 15, 1962 [4]	3¼ percent Series H-1962 Treasury notes maturing Nov. 15, 1962 [4]	2¼ percent Treasury bonds of 1959-62 maturing Dec. 15, 1962 [4]	2¾ percent Treasury bonds of 1960-65 called for redemption on Dec. 15, 1962 [4]	Total issued
Boston	$33, 575	$57, 519	$18, 118	$44, 875	$154, 087
New York	208, 560	447, 232	451, 125	317, 901	1, 424, 818
Philadelphia	15, 242	40, 204	14, 239	34, 315	104, 000
Cleveland	48, 589	177, 651	20, 511	71, 338	318, 089
Richmond	24, 306	19, 031	9, 213	42, 618	95, 168
Atlanta	16, 866	38, 966	28, 718	22, 459	107, 009
Chicago	63, 440	187, 892	165, 562	77, 761	494, 655
St. Louis	12, 744	46, 513	13, 360	40, 487	113, 104
Minneapolis	19, 865	15, 264	13, 741	12, 056	60, 926
Kansas City	10, 949	36, 586	16, 682	13, 073	77, 290
Dallas	9, 715	28, 533	19, 471	14, 869	72, 588
San Francisco	20, 011	182, 862	35, 823	13, 418	252, 114
Treasury	100	2, 897	1, 041	7, 622	11, 660
Total note allotments	483, 962	1, 281, 150	807, 604	712, 792	3, 285, 508
Securities eligible for exchange:					
Exchanged in concurrent offerings	567, 161	4, 689, 071	1, 243, 086	699, 857	7, 199, 175
Total exchanged	1, 051, 123	5, 970, 221	2, 050, 690	1, 412, 649	10, 484, 683
Not submitted for exchange	91, 833	111, 574	218, 785	72, 734	494, 926
Total securities eligible for exchange	1, 142, 956	6, 081, 795	2, 269, 475	1, 485, 383	10, 979, 609

Footnotes at end of table.

Allotments of Treasury notes issued during the fiscal year 1963, by Federal Reserve districts—Continued

[In thousands]

Federal Reserve district	3⅝ percent Series B-1967 Treasury notes issued in exchange for—[3]					3⅝ percent Series B-1966 Treasury notes issued in exchange for—[3]			
	3½ percent Series C-1963 certificates maturing Aug. 15, 1963 [5]	2½ percent Treasury bonds of 1963 maturing Aug. 15, 1963 [5]	3⅛ percent Series D-1963 certificates maturing Nov. 15, 1963 [5]	3 percent Treasury bonds of 1964 maturing Feb. 15, 1964 [5]	Total issued	3¼ percent Series B-1963 certificates maturing May 15, 1963 [6]	4 percent Series B-1963 Treasury notes maturing May 15, 1963 [6]	3¼ percent Series D-1963 Treasury notes maturing May 15, 1963 [6]	Total issued
Boston	$48,155	$36,499	$7,435	$16,546	$108,635	$15,814	$39,025	$20,194	$75,033
New York	572,084	1,284,310	109,581	369,969	2,335,944	715,635	271,995	640,697	1,628,327
Philadelphia	16,001	64,622	2,794	16,183	99,600	18,938	14,474	33,882	67,294
Cleveland	47,343	55,550	6,150	35,479	144,522	38,312	47,462	65,943	151,717
Richmond	20,318	44,592	10,113	37,966	112,989	13,413	14,071	23,594	51,078
Atlanta	27,205	50,650	6,923	54,709	139,487	53,227	21,266	58,970	133,463
Chicago	92,464	248,540	43,988	129,767	514,759	220,088	111,280	165,644	497,012
St. Louis	6,970	74,261	2,230	34,465	117,926	49,603	25,574	43,717	118,894
Minneapolis	5,592	35,024	2,470	30,204	73,290	9,293	22,557	27,146	58,996
Kansas City	14,907	51,595	3,885	28,982	99,369	18,157	21,105	34,056	73,318
Dallas	34,986	34,773	2,901	33,612	106,272	22,076	16,556	46,637	85,269
San Francisco	69,949	291,764	3,407	55,785	420,905	221,132	21,081	79,660	321,873
Treasury	4,006	3,205	4,008	1,618	12,837	3,880	1,853	4,631	10,364
Total note allotments	959,980	2,275,385	205,885	845,285	4,286,535	1,399,568	628,299	1,244,771	3,272,638
Securities eligible for exchange:									
Exchanged in concurrent offerings	710,819	580,972	95,720	220,338	1,607,849	3,768,044	289,148	1,635,968	5,693,160
Total exchanged	1,670,799	2,856,357	301,605	1,065,623	5,894,384	5,167,612	917,447	2,880,739	8,965,798
Not submitted for exchange	5,180,635	1,460,709	4,554,059	1,634,301	12,829,704	116,865	265,916	146,110	528,891
Total securities eligible for exchange	6,851,434	4,317,066	4,855,664	2,699,924	18,724,088	5,284,477	1,183,363	3,026,849	9,494,689

[1] These exchanges were advance refundings. All subscriptions were allotted in full.
[2] 4 percent Treasury bonds of 1972 were also offered in exchange for this security.
[3] Subscriptions were allotted in full.
[4] 3⅛ percent Series D-1963 certificates of indebtedness and 4 percent Treasury bonds of 1972 were also offered in exchange for this security.
[5] 3⅞ percent Treasury bonds of 1971 (additional issue) and 4 percent Treasury bonds of 1980 (additional issue) were also offered in exchange for this security.
[6] 3¼ percent Series B-1964 certificates of indebtedness were also issued in exchange for this security.

Exhibit 3.—Treasury bonds

Six Treasury circulars representative of the thirteen bond offerings during the fiscal year 1963 are reproduced in this exhibit: a cash offering; an exchange offering for maturing issues; two exchange offerings (additional issues) for U.S. savings bonds of Series F and G maturing during the calendar years 1963 and 1964; an advance refunding exchange offering; and a cash offering of bonds sold through competitive bidding. Circulars pertaining to the other bond offerings are similar in form and therefore are not reproduced in this report. However, the essential details for each issue are summarized in the first table following the circulars and the final allotments of the new bonds are shown in the second table. Also reproduced in this exhibit are a public notice of invitation to bid and a supplemental press release for an offering of bonds sold to a syndicate through competitive bidding.

DEPARTMENT CIRCULAR NO. 14-62. PUBLIC DEBT

Treasury Department,
Washington, July 30, 1962.

I. OFFERING OF BONDS

1. The Secretary of the Treasury, pursuant to the authority of the Second Liberty Bond Act, as amended, invites subscriptions, subject to allotment, at 101 percent of their face value and accrued interest, from the people of the United States for bonds of the United States, designated 4¼ percent Treasury bonds of 1987–92. The amount of the offering under this circular is up to $750,000,000, or thereabouts. In addition to the amount offered for public subscription, the Secretary of the Treasury reserves the right to allot up to $50,000,000 of these bonds to Government investment accounts. The following notes maturing August 15, 1962, will be accepted at par in payment or exchange, in whole or in part, for the bonds subscribed for, to the extent such subscriptions are allotted by the Treasury:

4 percent Treasury notes of Series B–1962; or 3¼ percent Treasury notes of Series G–1962.

The books will be open only on July 30, 1962, for the receipt of subscriptions for this issue.

2. Deferred payment for bonds allotted hereunder may be made as provided in section IV hereof by any of the following subscribers, who for this purpose are defined as savings-type investors:

Pension and retirement funds—public and private
Endowment funds
Common trust funds under Regulation F of the Board of Governors of the Federal Reserve System
Insurance companies
Mutual savings banks
Fraternal benefit associations and labor unions' insurance funds
Savings and loan associations
Credit unions
Other savings organizations (not including commercial banks)
States, political subdivisions, or instrumentalities thereof, and public funds.

II. DESCRIPTION OF BONDS

1. The bonds will be dated August 15, 1962, and will bear interest from that date at the rate of 4¼ percent per annum, payable semiannually on February 15 and August 15 in each year until the principal amount becomes payable. They will mature August 15, 1992, but may be redeemed at the option of the United States on and after August 15, 1987, in whole or in part, at par and accrued interest, on any interest day or days, on 4 months' notice of redemption given in such manner as the Secretary of the Treasury shall prescribe. In case of partial redemption the bonds to be redeemed will be determined by such method as may be prescribed by the Secretary of the Treasury. From the date of redemption designated in any such notice, interest on the bonds called for redemption shall cease.

2. The income derived from the bonds is subject to all taxes imposed under the Internal Revenue Code of 1954. The bonds are subject to estate, inheritance, gift, or other excise taxes, whether Federal or State, but are exempt from all

taxation now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority.

3. The bonds will be acceptable to secure deposits of public moneys.

4. Bearer bonds with interest coupons attached, and bonds registered as to principal and interest, will be issued in denominations of $500, $1,000, $5,000, $10,000, $100,000, and $1,000,000. Provision will be made for the interchange of bonds of different denominations and of coupon and registered bonds, and for the transfer of registered bonds, under rules and regulations prescribed by the Secretary of the Treasury.

5. Any bonds issued hereunder which upon the death of the owner constitute part of his estate, will be redeemed at the option of the duly constituted representatives of the deceased owner's estate, at par and accrued interest to date of payment,[1] *provided:*

(*a*) that the bonds were actually owned by the decedent at the time of his death; and

(*b*) that the Secretary of the Treasury be authorized to apply the entire proceeds of redemption to the payment of Federal estate taxes.

Registered bonds submitted for redemption hereunder must be duly assigned to "The Secretary of the Treasury for redemption, the proceeds to be paid to the District Director of Internal Revenue at ------------------------ for credit on Federal estate taxes due from estate of ----------------------." Owing to the periodic closing of the transfer books and the impossibility of stopping payment of interest to the registered owner during the closed period, registered bonds received after the closing of the books for payment during such closed period will be paid only at par with a deduction of interest from the date of payment to the next interest payment date;[2] bonds received during the closed period for payment at a date after the books reopen will be paid at par plus accrued interest from the reopening of the books to the date of payment. In either case checks for the full six months' interest due on the last day of the closed period will be forwarded to the owner in due course. All bonds submitted must be accompanied by Form PD 1782,[3] properly completed, signed, and certified, and by proof of the representatives' authority in the form of a court certificate or a certified copy of the representatives' letters of appointment issued by the court. The certificate, or the certification to the letters, must be under the seal of the court, and except in the case of a corporate representative, must contain a statement that the appointment is in full force and be dated within six months prior to the submission of the bonds, unless the certificate or letters show that the appointment was made within one year immediately prior to such submission. Upon payment of the bonds appropriate memorandum receipt will be forwarded to the representatives, which will be followed in due course by formal receipt from the District Director of Internal Revenue.

6. The bonds will be subject to the general regulations of the Treasury Department, now or hereafter prescribed, governing United States bonds.

III. SUBSCRIPTION AND ALLOTMENT

1. Subscriptions will be received at the Federal Reserve Banks and branches and at the Office of the Treasurer of the United States, Washington 25, D.C. Only the Federal Reserve Banks and the Treasury Department are authorized to act as official agencies. Commercial banks, which for this purpose are defined as banks accepting demand deposits, may submit subscriptions for account of customers provided the names of the customers are set forth in such subscriptions. Others than commercial banks will not be permitted to enter subscriptions except for their own account. Subscriptions from commercial banks for their own account will be restricted in each case to an amount not exceeding 10 percent of the combined amount of time and savings deposits, including time certificates of deposit, or 25 percent of the combined capital, surplus and undivided profits of the subscribing bank, whichever is greater. Subscriptions will be received without deposit from commercial and other banks for their own account, Federally-

[1] An exact half-year's interest is computed for each full half-year period irrespective of the actual number of days in the half year. For a fractional part of any half year, computation is on the basis of the actual number of days in such half year.

[2] The transfer books are closed from Jan. 16 through Feb. 15, and from July 16 through Aug. 15 (both dates inclusive) in each year.

[3] Copies of Form PD 1782 may be obtained from any Federal Reserve Bank or from the Treasury Department, Washington 25, D.C.

insured savings and loan associations, States, political subdivisions or instrumentalities thereof, public pension and retirement and other public funds, international organizations in which the United States holds membership, foreign central banks and foreign States, dealers who make primary markets in Government securities and report daily to the Federal Reserve Bank of New York their positions with respect to Government securities and borrowings thereon, Government investment accounts, and the Federal Reserve Banks. Subscriptions from all others must be accompanied by payment (in cash or in notes of the two issues enumerated in section I hereof, which will be accepted at par) of 10 percent of the amount of bonds applied for, not subject to withdrawal until after allotment. Registered notes submitted as deposits should be assigned as provided in section V hereof. Following allotment, any portion of the 10 percent payment in excess of 10 percent of the amount of bonds allotted may be released upon the request of the subscribers.

2. All subscribers are required to agree not to purchase or to sell, or to make any agreements with respect to the purchase or sale or other disposition of any bonds of this issue, until after midnight July 30, 1962.

3. Commercial banks in submitting subscriptions will be required to certify that they have no beneficial interest in any of the subscriptions they enter for the account of their customers, and that their customers have no beneficial interest in the banks' subscriptions for their own account.

4. The Secretary of the Treasury reserves the right to reject or reduce any subscription, to allot less than the amount of bonds applied for, and to make different percentage allotments to various classes of subscribers; and any action he may take in these respects shall be final. The basis of the allotment will be publicly announced, and allotment notices will be sent out promptly upon allotment.

IV. PAYMENT

1. Payment at 101 percent of their face value and accrued interest for bonds allotted hereunder must be made or completed on or before August 15, 1962, or on later allotment, in cash or by exchange of notes of the two issues enumerated in section I hereof, which will be accepted at par; provided, however, that where a subscriber eligible to defer payment under section I hereof elects to defer payment for part of the bonds allotted, not less than 30 percent of the bonds allotted must have been paid for by August 15, 1962, not less than 60 percent must have been paid for by September 15, 1962, and full payment must be completed by October 15, 1962. All payments made subsequent to August 15, 1962, must be accompanied by accrued interest from that date, at the rate of $0.12 per $1,000 per day. In the event allotments are less than a rate of 10 percent of the amount subscribed for, the amount of the deposit in excess of the par amount of the bonds allotted hereunder will be returned to the subscriber. Where partial payment for bonds allotted is to be deferred beyond August 15, 1962, delivery of 5 percent of the total par amount of bonds allotted, adjusted to the next higher $500, will be withheld from all subscribers (except States, political subdivisions, or instrumentalities thereof, and public pension and retirement and other public funds) until payment for the total amount allotted has been completed. In every case where payment is not so completed the 5 percent so withheld shall, upon declaration made by the Secretary of the Treasury in his discretion, be forfeited to the United States. In all other cases where payment is not completed on or before August 15, 1962, or on later allotment, the payment with application up to 10 percent of the amount of bonds allotted shall, upon declaration made by the Secretary of the Treasury in his discretion, be forfeited to the United States. Any qualified depositary will be permitted to make payment in its Treasury tax and loan account for bonds allotted to it for itself and its customers which are paid for in cash up to any amount for which it shall be qualified in excess of existing deposits when so notified by the Federal Reserve Bank of its district. Where payment is made with bearer notes, coupons dated August 15, 1962, should be detached and cashed when due by holders. In the case of registered notes, the final interest due on August 15, 1962, will be paid by check drawn in accordance with the assignments on the notes surrendered, or by credit in any account maintained by a banking institution with the Federal Reserve Bank of its district.

V. ASSIGNMENT OF REGISTERED NOTES

1. Treasury notes of Series G–1962 in registered form tendered as deposits and in payment for bonds allotted hereunder should be assigned by the registered payees or assignees thereof, in accordance with the general regulations of the

Treasury Department, in one of the forms hereafter set forth. Notes tendered in payment should be surrendered to a Federal Reserve Bank or branch or to the Office of the Treasurer of the United States, Washington 25, D.C. The notes must be delivered at the expense and risk of the holder. If the bonds are desired registered in the same name as the notes surrendered, the assignment should be to "The Secretary of the Treasury for 4¼ percent Treasury bonds of 1987–92"; if the bonds are desired registered in another name, the assignment should be to "The Secretary of the Treasury for 4¼ percent Treasury bonds of 1987–92 in the name of--------------------"; if bonds in coupon form are desired, the assignment should be to "The Secretary of the Treasury for 4¼ percent Treasury bonds of 1987–92 in coupon form to be delivered to--------------------".

VI. GENERAL PROVISIONS

1. As fiscal agents of the United States, Federal Reserve Banks are authorized and requested to receive subscriptions, to make allotments on the basis and up to the amounts indicated by the Secretary of the Treasury to the Federal Reserve Banks of the respective districts, to issue allotment notices, to receive payment for bonds allotted, to make delivery of bonds on full-paid subscriptions allotted, and they may issue interim receipts pending delivery of the definitive bonds.

2. The Secretary of the Treasury may at any time, or from time to time, prescribe supplemental or amendatory rules and regulations governing the offering, which will be communicated promptly to the Federal Reserve Banks.

DOUGLAS DILLON,
Secretary of the Treasury.

DEPARTMENT CIRCULAR NO. 19–62. PUBLIC DEBT

TREASURY DEPARTMENT,
Washington, October 29, 1962.

I. OFFERING OF BONDS

1. The Secretary of the Treasury, pursuant to the authority of the Second Liberty Bond Act, as amended, invites subscriptions, at par, from the people of the United States for bonds of the United States, designated 4 percent Treasury bonds of 1972, in exchange for any of the following securities, singly or in combinations aggregating $500 or multiples thereof:

3¾ percent Treasury notes of Series C–1962, maturing November 15, 1962;
3¼ percent Treasury notes of Series H–1962, maturing November 15, 1962;
2¼ percent Treasury bonds of 1959–62, maturing December 15, 1962; or
2¾ percent Treasury bonds of 1960–65, called for redemption on December 15, 1962.

Interest will be adjusted in the case of the 2¼ percent Treasury bonds of 1959–62 and the 2¾ percent Treasury bonds of 1960–65 as set forth in section IV hereof. Delivery of the new bonds will be made on November 15, 1962. The amount of the offering under this circular will be limited to the amount of eligible securities tendered in exchange and accepted. The books will be open only on October 29 through October 31, 1962, for the receipt of subscriptions for this issue.

2. In addition to the offering under this circular, holders of the eligible securities are offered the privilege of exchanging all or any part of such securities for 3⅛ percent Treasury certificates of indebtedness of Series D–1963, or 3½ percent Treasury notes of Series B–1965, which offerings are set forth in Department Circulars, Public Debt Series—Nos. 17–62 and 18–62, respectively, issued simultaneously with this circular.

II. DESCRIPTION OF BONDS

1. The bonds will be dated November 15, 1962, and will bear interest from that date at the rate of 4 percent per annum, payable on a semiannual basis on February 15 and August 15, 1963, and thereafter on February 15 and August 15 in each year until the principal amount becomes payable. They will mature February 15, 1972, and will not be subject to call for redemption prior to maturity.

2. The income derived from the bonds is subject to all taxes imposed under the Internal Revenue Code of 1954. The bonds are subject to estate, inheritance, gift, or other excise taxes, whether Federal or State, but are exempt from

all taxation now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority.

3. The bonds will be acceptable to secure deposits of public moneys. They will not be acceptable in payment of taxes.

4. Bearer bonds with interest coupons attached, and bonds registered as to principal and interest, will be issued in denominations of $500, $1,000, $5,000, $10,000, $100,000, and $1,000,000. Provision will be made for the interchange of bonds of different denominations and of coupon and registered bonds, and for the transfer of registered bonds, under rules and regulations prescribed by the Secretary of the Treasury.

5. The bonds will be subject to the general regulations of the Treasury Department, now or hereafter prescribed, governing United States bonds.

III. SUBSCRIPTION AND ALLOTMENT

1. Subscriptions will be received at the Federal Reserve Banks and branches and at the Office of the Treasurer of the United States, Washington 25, D.C. Banking institutions generally may submit subscriptions for account of customers, but only the Federal Reserve Banks and the Treasury Department are authorized to act as official agencies.

2. The Secretary of the Treasury reserves the right to reject or reduce any subscription, and to allot less than the amount of bonds applied for; and any action he may take in these respects shall be final. Subject to these reservations, all subscriptions will be allotted in full. Allotment notices will be sent out promptly upon allotment.

IV. PAYMENT

1. Payment for the face amount of bonds allotted hereunder must be made on the date shown in paragraphs 2, 3, and 4 below, and may be made only in securities of the four issues enumerated in section I hereof, which will be accepted at par, and should accompany the subscription.

2. *3¾ percent notes of Series C–1962 and 3¼ percent notes of Series H–1962.* Payment with maturing notes of Series C–1962 or Series H–1962 must be completed on or before November 15, 1962, or on later allotment. Coupons dated November 15, 1962, should be detached from notes in bearer form and cashed when due. In the case of registered notes of Series H–1962, the final interest due on November 15, 1962, will be paid, following discharge of registration, by check drawn in accordance with the assignments on the notes surrendered, or by credit in any account maintained by a banking institution with the Federal Reserve Bank of its district.

3. *2¼ percent bonds of 1959–62.* Payment with bonds of 1959–62 must be completed on or before November 15, 1962, or on later allotment. Coupons dated December 15, 1962, must be attached to the bonds in bearer form when surrendered. Accrued interest from June 15, 1962, to November 15, 1962 ($9.40574 per $1,000) will be paid to subscribers and the payments will be made in the case of bearer bonds following their acceptance and in the case of registered bonds following discharge of registration. In the case of registered bonds, the payment will be made by check drawn in accordance with the assignments on the bonds surrendered, or by credit in any account maintained by a banking institution with the Federal Reserve Bank of its district.

4. *2¾ percent bonds of 1960–65, called for redemption on December 15, 1962.* Payment with the called bonds of 1960–65 must be completed on or before November 15, 1962, or on later allotment, together with accrued interest from November 15, 1962, to December 15, 1962 ($3.26087 per $1,000) on the new bonds to be issued. Coupons dated December 15, 1962, should be detached from bonds in bearer form and cashed when due. Coupons dated June 15, 1963, and all subsequent coupons, must be attached to the called bonds in bearer form when surrendered. Final interest due December 15, 1962, on registered bonds will be paid on December 15, 1962, following discharge of registration, by check drawn in accordance with the assignments on the bonds surrendered, or by credit in any account maintained by a banking institution with the Federal Reserve Bank of its district. Delivery of the new bonds will be made upon completion of payment therefor on November 15, 1962.

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V. ASSIGNMENT OF REGISTERED SECURITIES

1. Treasury notes of Series H–1962 and Treasury bonds of 1959–62 and 1960–65 in registered form tendered in payment for bonds offered hereunder should be assigned by the registered payees or assignees thereof, in accordance with the general regulations of the Treasury Department governing assignments for transfer or exchange, in one of the forms hereafter set forth, and thereafter should be surrendered with the subscription to a Federal Reserve Bank or branch or to the Office of the Treasurer of the United States, Washington 25, D.C. The securities must be delivered at the expense and risk of the holder. If the new bonds are desired registered in the same name as the securities surrendered, the assignment should be to "The Secretary of the Treasury for exchange for 4 percent Treasury bonds of 1972"; if the new bonds are desired registered in another name, the assignment should be to "The Secretary of the Treasury for exchange for 4 percent Treasury bonds of 1972 in the name of ____________________"; if new bonds in coupon form are desired, the assignment should be to "The Secretary of the Treasury for exchange for 4 percent Treasury bonds of 1972 in coupon form to be delivered to ______________________________".

VI. GENERAL PROVISIONS

1. As fiscal agents of the United States, Federal Reserve Banks are authorized and requested to receive subscriptions, to make allotments on the basis and up to the amounts indicated by the Secretary of the Treasury to the Federal Reserve Banks of the respective districts, to issue allotment notices, to receive payment for bonds allotted, to make delivery of bonds on full-paid subscriptions allotted, and they may issue interim receipts pending delivery of the definitive bonds.

2. The Secretary of the Treasury may at any time, or from time to time, prescribe supplemental or amendatory rules and regulations governing the offering, which will be communicated promptly to the Federal Reserve Banks.

DOUGLAS DILLON,
Secretary of the Treasury.

DEPARTMENT CIRCULAR NO. 20–62. PUBLIC DEBT

TREASURY DEPARTMENT,
Washington, November 15, 1962.

I. OFFERING OF BONDS

1. The Secretary of the Treasury, pursuant to the authority of the Second Liberty Bond Act, as amended, invites subscriptions, at 99.50 percent of their face value and accrued interest, for bonds of the United States, designated 3⅞ percent Treasury bonds of 1971, in exchange for a like face amount of United States savings bonds of Series F and G maturing in the calendar years 1963 and 1964, which will be accepted at exchange values as provided in section IV hereof. Holders of Series F and G bonds aggregating less than an even multiple of $500 maturity value (the lowest denomination of new bonds available) may exchange such bonds with payment of the difference in cash to make up the next higher $500 multiple. Interest on the bonds will be adjusted as of December 15, 1962, and an adjustment in favor of subscribers representing the discount from the face value of the bonds will be made as provided in section IV hereof. The amount of the offering under this circular will be limited to the amount of securities, together with cash adjustments, tendered in exchange and accepted. The books will be open for the receipt of subscriptions for this issue from all classes of subscribers from November 19 through November 26, 1962, and in addition, subscriptions may be submitted by individuals through November 30, 1962. For this purpose individuals are defined as natural persons in their own right. Delivery of the new bonds will be made on December 17, 1962.

2. In addition to the offering under this circular, holders of the eligible Series F and G bonds are offered the privilege of exchanging all or any part of such bonds for 4 percent Treasury bonds of 1980 (additional issue) which offering is set forth in Department Circular, Public Debt Series—No. 21–62, issued simultaneously with this circular.

II. DESCRIPTION OF BONDS

1. The bonds now offered will be an addition to and will form a part of the series of 3⅞ percent Treasury bonds of 1971 issued pursuant to Department Circular, Public Debt Series—No. 11-62, dated April 30, 1962, will be freely interchangeable therewith, and are identical in all respects therewith except that interest on the bonds to be issued under this circular will accrue from December 15, 1962. Subject to the provision for the accrual of interest from December 15, 1962, on the bonds now offered, the bonds are described in the following quotation from Department Circular, Public Debt Series—No. 11-62:

"1. The bonds will be dated May 15, 1962, and will bear interest from that date at the rate of 3⅞ percent per annum, payable semiannually on November 15, 1962, and thereafter on May 15 and November 15 in each year until the principal amount becomes payable. They will mature November 15, 1971, and will not be subject to call for redemption prior to maturity.

"2. The income derived from the bonds is subject to all taxes imposed under the Internal Revenue Code of 1954. The bonds are subject to estate, inheritance, gift, or other excise taxes, whether Federal or State, but are exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority.

"3. The bonds will be acceptable to secure deposits of public moneys. They will not be acceptable in payment of taxes.

"4. Bearer bonds with interest coupons attached, and bonds registered as to principal and interest, will be issued in denominations of $500, $1,000, $5,000, $10,000, $100,000, and $1,000,000. Provision will be made for the interchange of bonds of different denominations and of coupon and registered bonds, and for the transfer of registered bonds, under rules and regulations prescribed by the Secretary of the Treasury.

"5. The bonds will be subject to the general regulations of the Treasury Department, now or hereafter prescribed, governing United States bonds."

III. SUBSCRIPTION AND ALLOTMENT

1. Subscriptions will be received at the Federal Reserve Banks and branches and at the Office of the Treasurer of the United States, Washington 25, D.C. Banking institutions generally, and paying agents eligible to process bonds under Treasury Department Circular No. 888, Revised, may submit exchange subscriptions for account of customers, but only the Federal Reserve Banks and the Treasury Department are authorized to act as official agencies.

2. The Secretary of the Treasury reserves the right to reject or reduce any subscription, and to allot less than the amount of bonds applied for; and any action he may take in these respects shall be final. Subject to these reservations, all subscriptions will be allotted in full. Allotment notices will be sent out promptly upon allotment.

IV. PAYMENT

1. Payment for the face amount of bonds allotted hereunder must be made on or before December 17, 1962, or on later allotment, and may be made only in a like face amount of United States savings bonds of Series F and Series G maturing from January 1, 1963, to April 1, 1964, inclusive, and any cash difference necessary to make up an even $500 multiple, which bonds and cash should accompany the subscription, together with the net amount, if any, to be collected from the subscriber as set forth in tables I and II at the end of this circular. The Series F and G bonds will be accepted in the exchange at amounts set forth thereunder for their respective months of maturity. These exchange values are higher than present redemption values. They have been set so that holders of Series F and G bonds who elect to accept this exchange offer will receive, in effect, an investment yield approximately one percent per annum more than would otherwise accrue from December 15, 1962, to the maturity dates of their bonds, and will receive an investment yield of approximately 3.94 percent on the 3⅞ percent marketable bonds received in exchange for the period from the maturity dates of their Series F and G bonds to November 15, 1971. All subscribers will be charged the interest from November 15, 1962, to December 15, 1962 ($0.32 per $100) on the bonds allotted. Other adjustments with respect to bonds accepted in exchange will be made as set forth in tables I and II, which also show the net amounts to be collected from or paid to subscribers for each $100 (face amount) of bonds accepted in exchange.

(a) *Series F bonds*.—The exchange values of Series F bonds, the differences between such values and the offering price of the 3⅞ percent bonds, the interest which will accrue on the new bonds and the total amounts to be collected from or paid to holders of Series F bonds per $100 (face amount) are as set forth in table I.

TABLE I.—*For Series F bonds*

F bonds maturing on the first day of—	Exchange values of F bonds per $100 (face amt.)	Charge or credit for differences between $99.50 (offering price per $100 of new bonds) and exchange values of F bonds: Charge	Charge or credit for differences between $99.50 (offering price per $100 of new bonds) and exchange values of F bonds: Credit	Interest Nov. 15 to Dec. 15, 1962, to be charged on new bonds per $100 (face amt.) of F bonds	Total amounts per $100 (face amt.) of F bonds accepted [1]: To be paid to subscribers (cols. 3 minus 4) [2]	Total amounts per $100 (face amt.) of F bonds accepted [1]: To be collected from subscribers (cols. 2 plus 4 minus 3)	[3] Interest accruing per $100 on new bonds from Nov. 15, 1962, to maturity dates of F bonds in 1963 or 1964
	COL. 1	COL. 2	COL. 3	COL. 4	COL. 5	COL. 6	COL. 7
1963							
January	$99.88	------------	$0.38	$0.32	$0.06	------------	$0.50
February	99.64	------------	0.14	0.32	------------	$0.18	0.83
March	99.40	$0.10	------------	0.32	------------	0.42	1.13
April	99.16	0.34	------------	0.32	------------	0.66	1.47
May	98.92	0.58	------------	0.32	------------	0.90	1.79
June	98.68	0.82	------------	0.32	------------	1.14	2.12
July	98.44	1.06	------------	0.32	------------	1.38	2.43
August	98.20	1.30	------------	0.32	------------	1.62	2.76
September	97.96	1.54	------------	0.32	------------	1.86	3.09
October	97.72	1.78	------------	0.32	------------	2.10	3.40
November	97.48	2.02	------------	0.32	------------	2.34	3.73
December	97.24	2.26	------------	0.32	------------	2.58	4.05
1964							
January	97.00	2.50	------------	0.32	------------	2.82	4.38
February	96.76	2.74	------------	0.32	------------	3.06	4.71
March	96.52	2.98	------------	0.32	------------	3.30	5.01
April	96.28	3.22	------------	0.32	------------	3.54	5.34

[1] In addition, for each $100, or multiple or fraction thereof, between the face amount of Series F bonds submitted and the face amount of bonds subscribed (to next higher multiple of $500) the subscriber must pay $99.82 ($99.50 issue price plus $0.32 accrued interest).
[2] The net amount to be paid to subscribers will be paid following acceptance of the bonds by the agency through which the exchange is made.
[3] Including $0.32 per $100 paid by subscriber as accrued interest from Nov. 15, 1962, to Dec. 15, 1962 (COL. 4). This data is included for information only.

(b) *Series G Bonds*.—The exchange values of Series G bonds, the differences between such values and the offering price of the 3⅞ percent bonds, the accrued interest to be credited on the Series G bonds, the interest which will accrue on the new bonds and the total amounts to be collected from or paid to holders of Series G bonds per $100 (face amount) are as set forth in table II.

2. Any qualified depositary will be permitted to make payment by credit in its Treasury tax and loan account for any cash payments authorized or required to be made under this circular for bonds allotted to it for itself and its customers up to any amount for which it shall be qualified in excess of existing deposits, when so notified by the Federal Reserve Bank of its district.

3. Series F and G bonds tendered in exchange must bear appropriate requests for payment in accordance with the provisions of Treasury Department Circular No. 530, Eighth Revision, as amended, or the special endorsement provided for in Treasury Department Circular No. 888, Revised. In any case in which bonds in bearer form, or registered bonds in another name, are desired, requests for payment must be supplemented by specific instructions signed by the owner who signed the request for payment. An owner's instructions for bearer or registered bonds may be recorded on the surrendered bonds by typing or otherwise recording on the back thereof, or by changing the existing request for payment form to conform to one of the two following forms:

(a) I am the owner of this bond and hereby request exchange for 3⅞% Treasury bonds of 1971 in bearer form to be delivered to (insert name and address of person to whom delivery is to be made).

(b) I am the owner of this bond and hereby request exchange for 3⅞% Treasury bonds of 1971 registered in the name of (insert exact registration desired—see section V hereof).

TABLE II.—*For Series G bonds*

G bonds maturing on the first day of—	Exchange values of G bonds per $100 (face amt.)	Charge or credit for differences between $99.50 (offering price per $100 of new bonds) and exchange values of G bonds		Interest to be credited on G bonds per $100 (face amt.)	Interest Nov. 15 to Dec. 15, 1962, to be charged on new bonds per $100 (face amt.) of G bonds	Total amounts per $100 (face amt.) of G bonds accepted [1]		[3] Interest accruing per $100 on new bonds from Nov. 15, 1962, to maturity dates of G bonds in 1963 or 1964
		Charge	Credit			TO BE PAID TO SUBSCRIBERS (COLS. 3 plus 4 minus 2 and 5) [2]	TO BE COLLECTED FROM SUBSCRIBERS (COLS. 2 plus 5 minus 3 and 4)	
	COL. 1	COL. 2	COL. 3	COL. 4	COL. 5	COL. 6	COL. 7	COL. 8
1963								
January	$99.98		$0.48	$1.15	$0.32	$1.31		$0.50
February	99.94		0.44	0.94	0.32	1.06		0.83
March	99.90		0.40	0.73	0.32	0.81		1.13
April	99.87		0.37	0.52	0.32	0.57		1.47
May	99.83		0.33	0.31	0.32	0.32		1.79
June	99.80		0.30	0.10	0.32	0.08		2.12
July	99.77		0.27	(4)	0.32		$0.15	2.43
August	99.73		0.23	0.94	0.32	0.85		2.76
September	99.69		0.19	0.73	0.32	0.60		3.09
October	99.65		0.15	0.52	0.32	0.35		3.40
November	99.62		0.12	0.31	0.32	0.11		3.73
December	99.59		0.09	0.10	0.32		0.13	4.05
1964								
January	99.56		0.06	(4)	0.32		0.36	4.38
February	99.52		0.02	0.94	0.32	0.64		4.71
March	99.49	$0.01		0.73	0.32	0.40		5.01
April	99.45	0.05		0.52	0.32	0.15		5.34

[1] In addition, for each $100, or multiple thereof, between the face amount of Series G bonds submitted and the face amount of bonds subscribed (to next higher multiple of $500) the subscriber must pay $99.82 ($99.50 issue price plus $0.32 accrued interest).

[2] The net amount to be paid to subscribers will be paid following acceptance of the bonds by the agency through which the exchange is made.

[3] Including $0.32 per $100, paid by subscriber as accrued interest from Nov. 15, 1962, to Dec. 15, 1962 (COL. 5). This data is included for information only.

[4] Interest will be paid to Jan. 1, 1963, on bonds maturing July 1, 1963, and Jan. 1, 1964, in regular course on Jan. 1, 1963, by checks mailed by the Treasury Department. As these checks will include unearned interest for the period from Dec. 15, 1962, to Jan. 1, 1963, each subscriber who tenders these bonds will be required to make an interest refund of $0.10 per $100 (face amount). The above amounts of $0.15 and $0.36 in COL. 7 include such refunds.

V. REGISTRATION OF BONDS

1. Treasury bonds may be registered only as authorized in Treasury Department Circular No. 300, Revised, as supplemented. Registration in the name of one person payable on death to another is not authorized. Registered Treasury bonds may be transferred to a purchaser only upon proper assignment. Treasury bonds registered in the form "A or B" may be transferred only upon assignment by or on behalf of both, except that if one of them is deceased, an assignment by or on behalf of the survivor will be accepted. Since Treasury bonds are not redeemable before maturity at the option of the owners, the effects of registering them in the names of two or more persons are important. Information concerning the effects of various forms of registration may be obtained from any Federal Reserve Bank or branch, the Office of the Treasurer of the United States, Washington 25, D.C., or from banking institutions generally.

VI. GENERAL PROVISIONS

1. As fiscal agents of the United States, Federal Reserve Banks are authorized and requested to receive subscriptions, to make allotments on the basis and up to the amounts indicated by the Secretary of the Treasury to the Federal Reserve Banks of the respective districts, to issue allotment notices, to receive payment for bonds allotted, to make delivery of bonds on full-paid subscriptions allotted, and they may issue interim receipts pending delivery of the definitive bonds.

2. The Secretary of the Treasury may at any time, or from time to time, prescribe supplemental or amendatory rules and regulations governing the offering, which will be communicated promptly to the Federal Reserve Banks.

DOUGLAS DILLON,
Secretary of the Treasury.

DEPARTMENT CIRCULAR NO. 21-62. PUBLIC DEBT

TREASURY DEPARTMENT,
Washington, November 15, 1962.

I. OFFERING OF BONDS

1. The Secretary of the Treasury, pursuant to the authority of the Second Liberty Bond Act, as amended, invites subscriptions, at 99.50 percent of their face value and accrued interest, for bonds of the United States, designated 4 percent Treasury bonds of 1980, in exchange for a like face amount of United States savings bonds of Series F and G maturing in the calendar years 1963 and 1964, which will be accepted at exchange values as provided in section IV hereof. Holders of Series F and G bonds aggregating less than an even multiple of $500 maturity value (the lowest denomination of new bonds available) may exchange such bonds with payment of the difference in cash to make up the next higher $500 multiple. Interest on the bonds will be adjusted as of December 15, 1962, and an adjustment in favor of subscribers representing the discount from the face value of the bonds will be made as provided in section IV hereof. The amount of the offering under this circular will be limited to the amount of securities, together with cash adjustments, tendered in exchange and accepted. The books will be open for the receipt of subscriptions for this issue from all classes of subscribers from November 19 through November 26, 1962, and in addition, subscriptions may be submitted by individuals through November 30, 1962. For this purpose individuals are defined as natural persons in their own right. Delivery of the new bonds will be made on December 17, 1962.

2. In addition to the offering under this circular, holders of the eligible Series F and G bonds are offered the privilege of exchanging all or any part of such bonds for 3⅞ percent Treasury bonds of 1971 (additional issue) which offering is set forth in Department Circular, Public Debt Series—No. 20-62, issued simultaneously with this circular.

II. DESCRIPTION OF BONDS

1. The bonds now offered will be an addition to and will form a part of the series of 4 percent Treasury bonds of 1980 issued pursuant to Department Circulars No. 1020 and Public Debt Series—No. 5-62, dated January 12, 1959, and February 19, 1962, respectively, will be freely interchangeable therewith, and are identical in all respects therewith except that interest on the bonds to be issued under this circular will accrue from December 15, 1962. Subject to the provision for the accrual of interest from December 15, 1962, on the bonds now offered, the bonds are described in the following quotation from Department Circular No. 1020:

"1. The bonds will be dated January 23, 1959, and will bear interest from that date at the rate of 4 percent per annum, payable on a semiannual basis on August 15, 1959, and thereafter on February 15 and August 15 in each year until the principal amount becomes payable. They will mature February 15, 1980, and will not be subject to call for redemption prior to maturity.

"2. The income derived from the bonds is subject to all taxes imposed under the Internal Revenue Code of 1954. The bonds are subject to estate, inheritance,

gift, or other excise taxes, whether Federal or State, but are exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority.

"3. The bonds will be acceptable to secure deposits of public moneys.

"4. Bearer bonds with interest coupons attached, and bonds registered as to principal and interest, will be issued in denominations of $500, $1,000, $5,000, $10,000, $100,000, and $1,000,000. Provisions will be made for the interchange of bonds of different denominations and of coupon and registered bonds, and for the transfer of registered bonds, under rules and regulations prescribed by the Secretary of the Treasury.

"5. Any bonds issued hereunder which upon the death of the owner constitute part of his estate, will be redeemed at the option of the duly constituted representatives of the deceased owner's estate, at par and accrued interest to date of payment,[1] *provided:*

(*a*) that the bonds were actually owned by the decedent at the time of his death; and

(*b*) that the Secretary of the Treasury be authorized to apply the entire proceeds of redemption to the payment of Federal estate taxes.

Registered bonds submitted for redemption hereunder must be duly assigned to "The Secretary of the Treasury for redemption, the proceeds to be paid to the District Director of Internal Revenue at————for credit on Federal estate taxes due from estate of————". Owing to the periodic closing of the transfer books and the impossibility of stopping payment of interest to the registered owner during the closed period, registered bonds received after the closing of the books for payment during such closed period will be paid only at par with a deduction of interest from the date of payment to the next interest payment date;[2] bonds received during the closed period for payment at a date after the books reopen will be paid at par plus accrued interest from the reopening of the books to the date of payment. In either case checks for the full six months' interest due on the last day of the closed period will be forwarded to the owner in due course. All bonds submitted must be accompanied by Form PD 1782,[3] properly completed, signed, and certified, and by proof of the representatives' authority in the form of a court certificate or a certified copy of the representatives' letters of appointment issued by the court. The certificate, or the certification to the letters, must be under the seal of the court, and except in the case of a corporate representative, must contain a statement that the appointment is in full force and be dated within six months prior to the submission of the bonds, unless the certificate or letters show that the appointment was made within one year immediately prior to such submission. Upon payment of the bonds appropriate memorandum receipt will be forwarded to the representatives, which will be followed in due course by formal receipt from the District Director of Internal Revenue.

"6. The bonds will be subject to the general regulations of the Treasury Department, now or hereafter prescribed, governing United States bonds."

III. SUBSCRIPTION AND ALLOTMENT

1. Subscriptions will be received at the Federal Reserve Banks and branches and at the Office of the Treasurer of the United States, Washington 25, D.C. Banking institutions generally, and paying agents eligible to process bonds under Treasury Department Circular No. 888, Revised, may submit exchange subscriptions for account of customers, but only the Federal Reserve Banks and the Treasury Department are authorized to act as official agencies.

2. The Secretary of the Treasury reserves the right to reject or reduce any subscription, and to allot less than the amount of bonds applied for; and any action he may take in these respects shall be final. Subject to these reservations, all subscriptions will be allotted in full. Allotment notices will be sent out promptly upon allotment.

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[1] An exact half-year's interest is computed for each full half-year period irrespective of the actual number of days in the half year. For a fractional part of any half year, computation is on the basis of the actual number of days in such half year.

[2] The transfer books are closed from Jan. 16 to Feb. 15, and from July 16 to Aug. 15 (both dates inclusive) in each year.

[3] Copies of Form PD 1782 may be obtained from any Federal Reserve Bank or from the Treasury Department, Washington 25, D.C.

IV. PAYMENT

1. Payment for the face amount of bonds allotted hereunder must be made on or before December 17, 1962, or on later allotment, and may be made only in a like face amount of United States savings bonds of Series F and Series G maturing from January 1, 1963, to April 1, 1964, inclusive, and any cash difference necessary to make up an even $500 multiple, which bonds and cash should accompany the subscription, together with the net amount, if any, to be collected from the subscriber as set forth in tables I and II at the end of this circular. The Series F and G bonds will be accepted in the exchange at amounts set forth thereunder for their respective months of maturity. These exchange values are higher than present redemption values. They have been set so that holders of Series F and G bonds who elect to accept this exchange offer will receive, in effect, an investment yield approximately one percent per annum more than would otherwise accrue from December 15, 1962, to the maturity dates of their bonds, and will receive an investment yield of approximately 4.04 percent on the 4 percent marketable bonds received in exchange for the period from the maturity dates of their Series F and G bonds to February 15, 1980. All subscribers will be charged the interest from August 15, 1962, to December 15, 1962 ($1.33 per $100) on the bonds allotted. Other adjustments with respect to bonds accepted in exchange will be made as set forth in tables I and II, which also show the net amounts to be collected from or paid to subscribers for each $100 (face amount) of bonds accepted in exchange.

(a) *Series F bonds.*—The exchange values of Series F bonds, the differences between such values and the offering price of the 4 percent bonds, the interest which will accrue on the new bonds and the total amounts to be collected from holders of Series F bonds per $100 (face amount) are as set forth in table I.

TABLE I.—*For Series F bonds*

F bonds maturing on the first day of—	Exchange values of F bonds per $100 (face amt.)	Charge or credit for differences between $99.50 (offering price per $100 of new bonds) and exchange values of F bonds		Interest Aug. 15 to Dec. 15, 1962, to be charged on new bonds per $100 (face amt.) of F bonds	[1] Total amounts per $100 (face amt.) of F bonds accepted TO BE COLLECTED FROM SUBSCRIBERS (COLS. 2 plus 4 minus 3)	[2] Interest accruing per $100 on new bonds from Aug. 15, 1962, to maturity dates of F bonds in 1963 or 1964
		Charge	Credit			
	COL. 1	COL. 2	COL. 3	COL. 4	COL. 5	COL. 6
1963						
January	$99.88		$0.38	$1.33	$0.95	$1.51
February	99.64		0.14	1.33	1.19	1.85
March	99.40	$0.10		1.33	1.43	2.15
April	99.16	0.34		1.33	1.67	2.50
May	98.92	0.58		1.33	1.91	2.83
June	98.68	0.82		1.33	2.15	3.17
July	98.44	1.06		1.33	2.39	3.50
August	98.20	1.30		1.33	2.63	3.85
September	97.96	1.54		1.33	2.87	4.18
October	97.72	1.78		1.33	3.11	4.51
November	97.48	2.02		1.33	3.35	4.85
December	97.24	2.26		1.33	3.59	5.17
1964						
January	97.00	2.50		1.33	3.83	5.51
February	96.76	2.74		1.33	4.07	5.85
March	96.52	2.98		1.33	4.31	6.16
April	96.28	3.22		1.33	4.55	6.51

[1] In addition, for each $100, or multiple or fraction thereof, between the face amount of Series F bonds submitted and the face amount of bonds subscribed (to next higher multiple of $500) the subscriber must pay $100.83 ($99.50 issue price plus $1.33 accrued interest).

[2] Including $1.33 per $100 paid by subscriber as accrued interest from Aug. 15, 1962, to Dec. 15, 1962 (COL. 4). These data are included for information only.

(b) *Series G bonds.*—The exchange values of Series G bonds, the differences between such values and the offering price of the 4 percent bonds, the accrued interest to be credited on the Series G bonds, the interest which will accrue on the new bonds and the total amounts to be collected from or paid to holders of Series G bonds per $100 (face amount) are as set forth in table II.

TABLE II.—*For Series G Bonds*

G bonds maturing on the first day of—	Exchange values of G bonds per $100 (face amt.)	Charge or credit for differences between $99.50 (offering price per $100 of new bonds) and exchange values of G bonds		Interest to be credited on G bonds per $100 (face amt.)	Interest Aug. 15 to Dec. 15, 1962, to be charged on new bonds per $100 (face amt.) of G bonds	Total amounts per $100 (face amt.) of G bonds accepted [1]		[3] Interest accruing per $100 on new bonds from Aug. 15, 1962, to maturity dates of G bonds in 1963 or 1964
		Charge	Credit			TO BE PAID TO SUBSCRIBERS (COLS. 3 plus 4 minus 2 and 5) [2]	TO BE COLLECTED FROM SUBSCRIBERS (COLS. 2 plus 5 minus 3 and 4)	
	COL. 1	COL. 2	COL. 3	COL. 4	COL. 5	COL. 6	COL. 7	COL. 8
1963								
January	$99.98		$0.48	$1.15	$1.33	$0.30		$1.51
February	99.94		0.44	0.94	1.33	0.05		1.85
March	99.90		0.40	0.73	1.33		$0.20	2.15
April	99.87		0.37	0.52	1.33		0.44	2.50
May	99.83		0.33	0.31	1.33		0.69	2.83
June	99.80		0.30	0.10	1.33		0.93	3.17
July	99.77		0.27	(4)	1.33		1.16	3.50
August	99.73		0.23	0.94	1.33		0.16	3.85
September	99.69		0.19	0.73	1.33		0.41	4.18
October	99.65		0.15	0.52	1.33		0.66	4.51
November	99.62		0.12	0.31	1.33		0.90	4.85
December	99.59		0.09	0.10	1.33		1.14	5.17
1964								
January	99.56		0.06	(4)	1.33		1.37	5.51
February	99.52		0.02	0.94	1.33		0.37	5.85
March	99.49	$0.01		0.73	1.33		0.61	6.16
April	99.45	0.05		0.52	1.33		0.86	6.51

[1] In addition, for each $100, or multiple thereof, between the face amount of Series G bonds submitted and the face amount of bonds subscribed (to next higher multiple of $500) the subscriber must pay $100.83 ($99.50 issue price plus $1.33 accrued interest).

[2] The net amount to be paid to subscribers will be paid following acceptance of the bonds by the agency through which the exchange is made.

[3] Including $1.33 per $100 paid by subscriber as accrued interest from Aug. 15, 1962, to Dec. 15, 1962 (COL. 5). These data are included for information only.

[4] Interest will be paid to Jan. 1, 1963, on bonds maturing July 1, 1963, and Jan. 1, 1964, in regular course on Jan. 1, 1963, by checks mailed by the Treasury Department. As these checks will include unearned interest for the period from Dec. 15, 1962, to Jan. 1, 1963, each subscriber who tenders these bonds will be required to make an interest refund of $0.10 per $100 (face amount). The above amounts of $1.16 and $1.37 include such refunds.

2. Any qualified depositary will be permitted to make payment by credit in its Treasury tax and loan account for any cash payments authorized or required to be made under this circular for bonds allotted to it for itself and its customers up to any amount for which it shall be qualified in excess of existing deposits, when so notified by the Federal Reserve Bank of its district.

3. Series F and G bonds tendered in exchange must bear appropriate requests for payment in accordance with the provisions of Treasury Department Circular No. 530, Eighth Revision, as amended, or the special endorsement provided for in Treasury Department Circular No. 888, Revised. In any case in which bonds in bearer form, or registered bonds in another name, are desired, requests for payment must be supplemented by specific instructions signed by the owner who signed the request for payment. An owner's instructions for bearer or registered bonds may be recorded on the surrendered bonds by typing or otherwise recording on the back thereof, or by changing the existing request for payment form to conform to one of the two following forms:

(a) I am the owner of this bond and hereby request exchange for 4% Treasury bonds of 1980 in bearer form to be delivered to (insert name and address of person to whom delivery is to be made).

(b) I am the owner of this bond and hereby request exchange for 4% Treasury bonds of 1980 registered in the name of (insert exact registration desired—see section V hereof).

V. REGISTRATION OF BONDS

1. Treasury bonds may be registered only as authorized in Treasury Department Circular No. 300, Revised, as supplemented. Registration in the name of one person payable on death to another is not authorized. Registered Treasury bonds may be transferred to a purchaser only upon proper assignment. Treasury bonds registered in the form "A or B" may be transferred only upon assignment by or on behalf of both, except that if one of them is deceased, an assignment by or on behalf of the survivor will be accepted. Since Treasury bonds are not redeemable before maturity at the option of the owners, the effects of registering them in the names of two or more persons are important. Information concerning the effects of various forms of registration may be obtained from any Federal Reserve Bank or branch, the Office of the Treasurer of the United States, Washington 25, D.C., or from banking institutions generally.

VI. GENERAL PROVISIONS

1. As fiscal agents of the United States, Federal Reserve Banks are authorized and requested to receive subscriptions, to make allotments on the basis and up to the amounts indicated by the Secretary of the Treasury to the Federal Reserve Banks of the respective districts, to issue allotment notices, to receive payment for bonds allotted, to make delivery of bonds on full-paid subscriptions allotted, and they may issue interim receipts pending delivery of the definitive bonds.

2. The Secretary of the Treasury may at any time, or from time to time, prescribe supplemental or amendatory rules and regulations governing the offering, which will be communicated promptly to the Federal Reserve Banks.

DOUGLAS DILLON,
Secretary of the Treasury.

PRESS RELEASE OF DECEMBER 20, 1962

Treasury Secretary Douglas Dillon today issued a public notice of invitation for bids on $250,000,000 of Treasury bonds of 1988–93. This will be the first sale of Treasury bonds to an underwriter on the basis of competitive bidding for reoffering to the public. The Treasury announced last September its intention to test this new technique.

Bids for the bonds will be received at the Federal Reserve Bank of New York not later than 11:00 a.m., eastern standard time, on Tuesday, January 8, 1963. The successful bidder will be required to make a *bona fide* reoffering of all of the bonds to the investing public.

The bonds will mature on February 15, 1993, but may be called for payment on February 15, 1988, or any interest payment date thereafter. The bonds will be dated January 17, 1963. Interest will be payable on February 15 and August 15 of each year until the bonds mature or are called. The first interest coupon, payable August 15, 1963, will cover interest accrued between January 17, 1963, and August 15, 1963.

A supplemental notice, to be published on January 2, 1963, will set forth provisions relating to the coupon rate or rates of interest upon which bids will be received. Bidders must file a Notice of Intent to Bid at the Federal Reserve Bank of New York not later than 12:00 noon, eastern standard time, on January 4, 1963.

Payment for the bonds must be made in immediately available funds not later than 11:00 a.m., eastern standard time, on January 17, 1963.

The public notice of invitation to bid is attached.

Public notice of invitation to bid on Treasury bonds of 1988–93

TREASURY DEPARTMENT,
Washington, December 20, 1962.

The Secretary of the Treasury, by this notice and under the terms and conditions prescribed in Treasury Department Circular, Public Debt Series No. 22–62, invites bids for an issue of bonds of the United States, designated as Treasury Bonds of 1988–93. The principal amount of the issue hereunder will be $250,000,000. These bonds will be offered only as a single block on a competitive bid basis.

I. Description of bonds

The bonds will be dated January 17, 1963, and will bear interest from that date payable on a semiannual basis on August 15, 1963, and thereafter on February 15 and August 15 in each year until the principal amount becomes payable. They will mature February 15, 1993, but may be redeemed at the option of the United States on and after February 15, 1988, at par and accrued interest, on any interest day, on four months' notice of redemption given in such manner as the Secretary of the Treasury shall prescribe. From the date of redemption designated in any such notice, interest on the bonds called for redemption shall cease.

If the bonds are owned by a decedent at the time of his death and thereupon constitute a part of his estate, they will be redeemed at par and accrued interest at the option of the representative of the estate, provided the Secretary of the Treasury is authorized by the decedent's estate to apply the entire proceeds of redemption to payment of the Federal estate taxes on such decedent's estate.

II. Notice of intent

Any individual, organization, syndicate, or other group intending to submit a bid must file written notice of such intent with the Federal Reserve Bank of New York on Form PD 3555 by 12:00 noon, eastern standard time, on January 4, 1963. Notices which are received postmarked to show they were mailed prior to that time will be treated as having been timely filed. Forms and envelopes therefor may be obtained from any Federal Reserve Bank or branch or from the Bureau of the Public Debt, Treasury Department, Washington 25, D.C. The filing of such notice will not constitute a commitment to bid.

III. Submission of bids

Only bids submitted in accordance with the provisions of this invitation, or any supplement or amendment hereto, and of Treasury Department Circular, Public Debt Series No. 22–62, by bidders who have filed notice of their intent to bid as required by sec. II hereof will be considered. Each bid must be submitted in duplicate on Form PD 3556, enclosed and sealed in an envelope which will be furnished with the form, and must be received in the Northwest Conference Room of the Federal Reserve Bank of New York not later than 11:00 a.m., eastern standard time, on January 8, 1963. Forms and envelopes may be obtained from any Federal Reserve Bank or branch, or from the Bureau of the Public Debt, Treasury Department, Washington 25, D.C.

A bid submitted by a syndicate must be supplemented by a list of its members which must specify the amount of each member's underwriting participation. This supplement must be filed by the representative on Form PD 3557 not later than 12:00 noon on January 8, 1963, at the place designated for receipt of bids.

Each bidder may submit only one bid which must be for the purchase of *all* of the bonds described in this invitation. The price to be paid to the United States by the bidder must be expressed as a percentage of the principal amount of the bonds in not to exceed five decimals, e.g., 100.01038 percent. Provisions relating to the coupon rate of interest will be set forth in a supplemental notice hereto on January 2, 1963.

Each bid must be accompanied by a payment to the Federal Reserve Bank of New York, as fiscal agent of the United States, of an amount equal to 3 percent of the principal amount of the bonds in immediately available funds.

IV. Bids—opening—acceptance

Bids will be opened in the Northwest Conference Room of the Federal Reserve Bank of New York at 11:00 a.m., eastern standard time, on January 8, 1963, and

the accepted bid will be announced publicly not later than 2:00 p.m., eastern standard time, on that date. The bids and the names of the bidders will be considered as matters of public record, including, in the case of a syndicate, the names of the members and the amount of each member's underwriting participation.

The bid to be accepted will be the one resulting in the lowest basis cost of money computed from the date of the bonds to the date of maturity determined in accordance with the terms of this invitation, or any supplement or amendment hereto, and the provisions of Treasury Department Circular, Public Debt Series No. 22-62. It shall be a condition of each bid that, if accepted by the Secretary of the Treasury, the bidder shall make a *bona fide* reoffering of all of the bonds to the investing public.

When the successful bidder has been announced, his deposit will be retained as security for the performance of his obligation and will be applied toward payment of the bonds. Thereafter, the deposits of all other bidders will be returned immediately. No interest will be allowed on any of the deposits. In the event that the supplemental notice does not specify a single coupon rate of interest and bids based on different coupon rates of interest result in identical basis costs of money computed to maturity, the Secretary of the Treasury will accept the bid resulting in the lowest interest cost to the first call date. Otherwise, if identical bids are submitted, the Secretary of the Treasury, in his discretion, shall determine the bid to be accepted by lot in a manner prescribed by him, unless he proposes and those who submitted the identical bids agree on a division of the bonds. In the event of a division of the bonds, the bids of the successful bidders will be amended accordingly, their deposits will be apportioned and the remainder refunded immediately.

The Secretary of the Treasury, or his representative, will accept the successful bid by signing the duplicate copy of the bid form and delivering it to the bidder, or his representative.

The Secretary of the Treasury, in his discretion, reserves the right to reject any or all bids.

V. Payment for and delivery of bonds

Payment for the bonds must be made in immediately available funds and must be completed by the successful bidder not later than 11:00 a.m., eastern standard time, on January 17, 1963, at the Federal Reserve Bank of New York.

If the bidder desires any registered bonds to be shipped on the payment date, he must notify the Federal Reserve Bank of New York and furnish the necessary registration information within two days after the award. All other bonds will be delivered in bearer form and will be available on the payment date at Federal Reserve Banks and branches. Shipment of the bonds will be made on the payment date, at the risk and expense of the United States, to any place or places in the United States designated by the bidder. If necessary, the Treasury will issue interim receipts for the bonds on the payment date.

DOUGLAS DILLON,
Secretary of the Treasury.

PRESS RELEASE OF JANUARY 2, 1963

Acting Treasury Secretary Henry H. Fowler today announced that bidders will be offered the option of bidding upon either a 4 percent or 4⅛ percent coupon rate for the $250,000,000 Treasury bonds of 1988-93, the first to be sold to underwriters under competitive bidding. Each bidder may submit only one bid which must specify one of these two coupon rates. The successful bidder will be required to make a *bona fide* reoffering of all the bonds to the investing public.

As previously announced, bidders must file a Notice of Intent to Bid at the Federal Reserve Bank of New York not later than 12:00 noon, eastern standard time, on January 4, 1963. Final bids must be received at the same place not later than 11:00 a.m., eastern standard time, on Tuesday, January 8, 1963.

The bonds will mature on February 15, 1993, but may be called for payment on February 15, 1988, or any interest payment date thereafter. The bonds will be dated January 17, 1963. Interest will be payable on February 15 and August 15 of each year until the bonds mature or are called. The first interest coupon, payable August 15, 1963, will cover interest accrued between January 17, 1963, and August 15, 1963.

Payment for the bonds must be made in immediately available funds not later than 11:00 a.m., eastern standard time, on January 17, 1963.

DEPARTMENT CIRCULAR NO. 6-63. PUBLIC DEBT

TREASURY DEPARTMENT,
Washington, February 21, 1963.

I. OFFERING OF BONDS

1. The Secretary of the Treasury, pursuant to the authority of the Second Liberty Bond Act, as amended, invites subscriptions from the people of the United States for bonds of the United States, designated 4 percent Treasury bonds of 1980:

(1) at 99.10 percent of their face value in exchange for 3½ percent Treasury certificates of indebtedness of Series C-1963, dated August 15, 1962, due August 15, 1963;
(2) at 99.50 percent of their face value in exchange for 2½ percent Treasury bonds of 1963, dated December 15, 1954, due August 15, 1963;
(3) at 99.30 percent of their face value in exchange for 3⅛ percent Treasury certificates of indebtedness of Series D-1963, dated November 15, 1962, due November 15, 1963;
(4) at 99.50 percent of their face value in exchange for 3 percent Treasury bonds of 1964, dated February 14, 1958, due February 15, 1964;
(5) at 99.00 percent of their face value in exchange for 3½ percent Treasury notes of Series B-1965, dated November 15, 1962, due November 15, 1965;
(6) at 98.80 percent of their face value in exchange for 3⅝ percent Treasury notes of Series B-1966, dated May 15, 1962, due February 15, 1966;
(7) at 100.50 percent of their face value in exchange for 3 percent Treasury bonds of 1966, dated February 28, 1958, due August 15, 1966; or
(8) at 99.60 percent of their face value in exchange for 3⅜ percent Treasury bonds of 1966, dated March 15, 1961, due November 15, 1966.

Interest adjustments as of March 15, 1963, and the cash payments due to or from the subscriber on account of the issue prices of the new bonds will be made as set forth in section IV hereof. The amount of the offering under this circular will be limited to the amount of eligible securities tendered in exchange and accepted. The books will be open for the receipt of subscriptions for this issue from all classes of subscribers from February 25 through February 28, 1963, and, in addition, subscriptions may be submitted by individuals through March 8, 1963. For this purpose individuals are defined as natural persons in their own right.

2. In addition to the offering under this circular,

(a) holders of the first four issues of securities enumerated in paragraph 1 are offered the privilege of exchanging all or any part of such securities for 3⅝ percent Treasury notes of Series B-1967, or 3⅞ percent Treasury bonds of 1971 (additional issue), which offerings are set forth in Department Circulars, Public Debt Series—Nos. 4-63 and 5-63, respectively, and
(b) holders of the last four issues of securities enumerated in paragraph 1 are offered the privilege of exchanging all or any part of such securities for 3⅞ percent Treasury bonds of 1974 (additional issue), which offering is set forth in Department Circular, Public Debt Series—No. 7-63.

These three circulars are being issued simultaneously with this circular.

3. *Nonrecognition of gain or loss for Federal income tax purposes.*—Pursuant to the provisions of section 1037(a) of the Internal Revenue Code of 1954 as added by Public Law 86-346 (approved September 22, 1959), the Secretary of the Treasury hereby declares that no gain or loss shall be recognized for Federal income tax purposes upon the exchange with the United States of the eligible securities enumerated in paragraph one of this section solely for the 4 percent Treasury bonds of 1980. Section 1031(b) of the Code, however, requires recognition of any gain realized on the exchange to the extent that money is received by the security holder in connection with the exchange. To the extent not recognized at the time of the exchange, gain or loss, if any, upon the obligations surrendered in exchange will be taken into account upon the disposition or redemption of the new obligations.

II. DESCRIPTION OF BONDS

1. The bonds now offered will be an addition to and will form a part of the series of 4 percent Treasury bonds of 1980 issued pursuant to Department Circulars No. 1020, and Public Debt Series—Nos. 5-62 and 21-62, dated January 12, 1959, February 19, 1962, and November 15, 1962, respectively, will be freely interchangeable therewith, and are identical in all respects therewith except that

interest on the bonds to be issued under this circular will accrue from March 15, 1963. Subject to the provision for the accrual of interest from March 15, 1963, on the bonds now offered, the bonds are described in the following quotation from Department Circular No. 1020:

"1. The bonds will be dated January 23, 1959, and will bear interest from that date at the rate of 4 percent per annum, payable on a semiannual basis on August 15, 1959, and thereafter on February 15 and August 15 in each year until the principal amount becomes payable. They will mature February 15, 1980, and will not be subject to call for redemption prior to maturity.

"2. The income derived from the bonds is subject to all taxes imposed under the Internal Revenue Code of 1954. The bonds are subject to estate, inheritance, gift, or other excise taxes, whether Federal or State, but are exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority.

"3. The bonds will be acceptable to secure deposits of public moneys.

"4. Bearer bonds with interest coupons attached, and bonds registered as to principal and interest, will be issued in denominations of $500, $1,000, $5,000, $10,000, $100,000, and $1,000,000. Provision will be made for the interchange of bonds of different denominations and of coupon and registered bonds, and for the transfer of registered bonds, under rules and regulations prescribed by the Secretary of the Treasury.

"5. Any bonds issued hereunder which upon the death of the owner constitute part of his estate, will be redeemed at the option of the duly constituted representatives of the deceased owner's estate, at par and accrued interest to date of payment,[1] *provided:*

(a) that the bonds were actually owned by the decedent at the time of his death; and

(b) that the Secretary of the Treasury be authorized to apply the entire proceeds of redemption to the payment of Federal estate taxes.

Registered bonds submitted for redemption hereunder must be duly assigned to "The Secretary of the Treasury for redemption, the proceeds to be paid to the District Director of Internal Revenue at ---------- for credit on Federal estate taxes due from estate of ----------." Owing to the periodic closing of the transfer books and the impossibility of stopping payment of interest to the registered owner during the closed period, registered bonds received after the closing of the books for payment during such closed period will be paid only at par with a deduction of interest from the date of payment to the next interest payment date;[2] bonds received during the closed period for payment at a date after the books reopen will be paid at par plus accrued interest from the reopening of the books to the date of payment. In either case checks for the full six months' interest due on the last day of the closed period will be forwarded to the owner in due course. All bonds submitted must be accompanied by Form PD 1782,[3] properly completed, signed and certified, and by proof of the representatives' authority in the form of a court certificate or a certified copy of the representatives' letters of appointment issued by the court. The certificate, or the certification to the letters, must be under the seal of the court, and except in the case of a corporate representative, must contain a statement that the appointment is in full force and be dated within six months prior to the submission of the bonds, unless the certificate or letters show that the appointment was made within one year immediately prior to such submission. Upon payment of the bonds appropriate memorandum receipt will be forwarded to the representatives, which will be followed in due course by formal receipt from the District Director of Internal Revenue.

"6. The bonds will be subject to the general regulations of the Treasury Department, now or hereafter prescribed, governing United States bonds."

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[1] An exact half-year's interest is computed for each full half-year period irrespective of the actual number of days in the half year. For a fractional part of any half year, computation is on the basis of the actual number of days in such half year.

[2] The transfer books are closed from Jan. 16 to Feb. 15, and from July 16 to Aug. 15 (both dates inclusive) in each year.

[3] Copies of Form PD 1782 may be obtained from any Federal Reserve Bank or from the Treasury Department, Washington 25, D.C.

III. SUBSCRIPTION AND ALLOTMENT

1. Subscriptions will be received at the Federal Reserve Banks and branches and at the Office of the Treasurer of the United States, Washington 25, D.C. Banking institutions generally may submit subscriptions for account of customers, but only the Federal Reserve Banks and the Treasury Department are authorized to act as official agencies.

2. All subscribers requesting registered bonds will be required to furnish appropriate identifying numbers as required on tax returns and other documents submitted to the Internal Revenue Service, i.e., an individual's social security number or an employer identification number.

3. The Secretary of the Treasury reserves the right to reject or reduce any subscription, and to allot less than the amount of bonds applied for; and any action he may take in these respects shall be final. Subject to these reservations, all subscriptions will be allotted in full. Allotment notices will be sent out promptly upon allotment.

IV. PAYMENT

1. Payment for the face amount of bonds allotted hereunder must be made on or before March 15, 1963, or on later allotment, and may be made only in a like face amount of securities of the eight issues enumerated in paragraph 1 of section I hereof, which should accompany the subscription. Payment will not be deemed to have been completed where registered bonds are requested if the appropriate identifying number, as required by paragraph 2 of section III hereof, has not been furnished; provided, however, if a subscriber has applied for but is unable to furnish the identifying number by the payment date only because it has not been issued, he may elect to receive, pending the furnishing of the identifying number, interim receipts and in this case payment will be deemed to have been completed.

2. *3½ percent certificates of indebtedness of Series C—1963.*—Coupons dated August 15, 1963, must be attached to the certificates when surrendered. Accrued interest from February 15 to March 15, 1963 ($2.70718 per $1,000) on the certificates plus the payment ($9.00 per $1,000) due to the subscriber on account of the issue price of the bonds will be credited, accrued interest from February 15 to March 15, 1963 ($3.09392 per $1,000) on the bonds to be issued will be charged, and the difference ($8.61326 per $1,000) will be paid to subscribers following acceptance of the certificates.

3. *2½ percent bonds of 1963.*—Coupons dated August 15, 1963, must be attached to the bonds in bearer form when surrendered. Accrued interest from February 15 to March 15, 1963 ($1.93370 per $1,000) on the 2½ percent bonds plus the payment ($5.00 per $1,000) due to the subscriber on account of the issue price of the new bonds will be credited, accrued interest from February 15 to March 15, 1963 ($3.09392 per $1,000) on the bonds to be issued will be charged, and the difference ($3.83978 per $1,000) will be paid to subscribers. Payments will be made in the case of bearer bonds following their acceptance and in the case of registered bonds following discharge of registration. In the case of registered bonds, the payment will be made by check drawn in accordance with the assignments on the bonds surrendered, or by credit in any account maintained by a banking institution with the Federal Reserve Bank of its district.

4. *3⅛ percent certificates of indebtedness of Series D—1963.*—Coupons dated May 15 and November 15, 1963, must be attached to the certificates when surrendered. Accrued interest from November 15, 1962, to March 15, 1963 ($10.35912 per $1,000) on the certificates plus the payment ($7.00 per $1,000) due to the subscriber on account of the issue price of the bonds will be credited, accrued interest from February 15 to March 15, 1963 ($3.09392 per $1,000) on the bonds to be issued will be charged, and the difference ($14.26520 per $1,000) will be paid to subscribers following acceptance of the certificates.

5. *3 percent bonds of 1964.*—Coupons dated August 15, 1963, and February 15, 1964, must be attached to the bonds in bearer form when surrendered. Accrued interest from February 15 to March 15, 1963 ($2.32044 per $1,000) on the 3 percent bonds plus the payment ($5.00 per $1,000) due to the subscriber on account of the issue price of the new bonds will be credited, accrued interest from February 15 to March 15, 1963 ($3.09392 per $1,000) on the bonds to be issued will be charged, and the difference ($4.22652 per $1,000) will be paid to subscribers. Payments will be made in the case of bearer bonds following their acceptance and in the case of registered bonds following discharge of registration. In the case of registered bonds the payment will be made by check drawn in accordance

with the assignments on the bonds surrendered, or by credit in any account maintained by a banking institution with the Federal Reserve Bank of its district.

6. *3½ percent notes of Series B—1965.*—Coupons dated May 15, 1963, and all subsequent coupons, must be attached to the notes in bearer form when surrendered. Accrued interest from November 15, 1962, to March 15, 1963 ($11.60221 per $1,000) on the notes plus the payment ($10.00 per $1,000) due to the subscriber on account of the issue price of the bonds will be credited, accrued interest from February 15 to March 15, 1963 ($3.09392 per $1,000) on the bonds to be issued will be charged, and the difference ($18.50829 per $1,000) will be paid to subscribers. Payments will be made in the case of bearer notes following their acceptance and in the case of registered notes, the payment will be made by check drawn in accordance with the assignments on the notes surrendered, or by credit in any account maintained by a banking institution with the Federal Reserve Bank of its district.

7. *3⅝ percent of Series B—1966.*—Coupons dated August 15, 1963, and all subsequent coupons must be attached to the notes in bearer form when surrendered. Accrued interest from February 15 to March 15, 1963 ($2.80387 per $1,000) on the notes plus the payment ($12.00 per $1,000) due to the subscriber on account of the issue price of the bonds will be credited, accrued interest from February 15 to March 15, 1963 ($3.09392 per $1,000) on the bonds to be issued will be charged, and the difference ($11.70995 per $1,000) will be paid to subscribers. Payments will be made in the case of bearer notes following their acceptance and in the case of registered notes following discharge of registration. In the case of registered notes, the payment will be made by check drawn in accordance with the assignments on the notes surrendered, or by credit in any account maintained by a banking institution with the Federal Reserve Bank of its district.

8. *3 percent bonds of 1966.*—Coupons dated August 15, 1963, and all subsequent coupons, must be attached to the bonds in bearer form when surrendered. Accrued interest from February 15 to March 15, 1963 ($2.32044 per $1,000) on the 3 percent bonds will be credited, accrued interest from February 15 to March 15, 1963 ($3.09392 per $1,000) on the bonds to be issued plus the payment ($5.00 per $1,000) due the United States on account of the issue price of the new bonds will be charged, and the difference ($5.77348 per $1,000) must be paid by subscribers and should accompany the subscription.

9. *3⅜ percent bonds of 1966.*—Coupons dated May 15, 1963, and all subsequent coupons, must be attached to the bonds in bearer form when surrendered. Accrued interest from November 15, 1962, to March 15, 1963 ($11.18785 per $1,000) on the 3⅜ percent bonds plus the payment ($4.00 per $1,000) due to the subscriber on account of the issue price of the new bonds will be credited, accrued interest from February 15 to March 15, 1963 ($3.09392 per $1,000) on the bonds to be issued will be charged, and the difference ($12.09393 per $1,000) will be paid to subscribers. Payments will be made in the case of bearer bonds following their acceptance and in the case of registered bonds following discharge of registration. In the case of registered bonds, the payment will be made by check drawn in accordance with the assignments on the bonds surrendered, or by credit in any account maintained by a banking institution with the Federal Reserve Bank of its district.

V. ASSIGNMENT OF REGISTERED SECURITIES

1. Treasury notes and bonds in registered form tendered in payment for bonds offered hereunder should be assigned by the registered payees or assignees thereof, in accordance with the general regulations of the Treasury Department governing assignments for transfer or exchange, in one of the forms hereafter set forth, and thereafter should be surrendered to a Federal Reserve Bank or branch or to the Office of the Treasurer of the United States, Washington 25, D.C. The securities must be delivered at the expense and risk of the holder. If the new bonds are desired registered in the same name as the securities surrendered in exchange, the assignment should be to "The Secretary of the Treasury for exchange for 4 percent Treasury Bonds of 1980"; if the new bonds are desired registered in another name, the assignment should be to "The Secretary of the Treasury for exchange for 4 percent Treasury bonds of 1980 in the name of ----------"; if new bonds in coupon form are desired, the assignment should be to "The Secretary of the Treasury for exchange for 4 percent Treasury bonds of 1980 in coupon form to be delivered to ----------."

VI. GENERAL PROVISIONS

1. As fiscal agents of the United States, Federal Reserve Banks are authorized

and requested to receive subscriptions, to make allotments on the basis and up to the amounts indicated by the Secretary of the Treasury to the Federal Reserve Banks of the respective districts, to issue allotment notices, to receive payment for bonds allotted, to make delivery of bonds on full-paid subscriptions allotted, and they may issue interim receipts pending delivery of the definitive bonds.

2. The Secretary of the Treasury may at any time, or from time to time, prescribe supplemental or amendatory rules and regulations governing the offering, which will be communicated promptly to the Federal Reserve Banks.

DOUGLAS DILLON,
Secretary of the Treasury.

DEPARTMENT CIRCULAR NO. 11-63. PUBLIC DEBT

TREASURY DEPARTMENT,
Washington, May 16, 1963.

I. NOTICE OF SALE

1. Bonds designated 4⅛ percent Treasury bonds of 1989-94, and described herein, were sold on April 9, 1963, in the amount of $300,000,000, at competitive bidding pursuant to an invitation by the Secretary of the Treasury under authority of the Second Liberty Bond Act, as amended, and as set forth in Treasury Department Circular, Public Debt Series—No. 22-62, dated December 17, 1962, Public Notice of Invitation to Bid, dated March 20, 1963, and the supplement thereto dated April 3, 1963. The bonds were sold to a syndicate headed by Salomon Brothers and Hutzler, C. J. Devine and Company, Chase Manhattan Bank, First National City Bank of New York, Chemical Bank New York Trust Company, Bankers Trust Company, and the First National Bank of Chicago, and including 67 others, at a price of $100.55119 per $100 of face amount, resulting in a net basis cost of money to the Treasury of 4.093145 percent, calculated to maturity. One of the conditions of the sale was that the successful bidder would make a bona fide reoffering of all of the bonds to the investing public.

II. DESCRIPTION OF BONDS

1. The bonds, dated April 18, 1963, bear interest from that date at the rate of 4⅛ percent per annum, payable on a semiannual basis on November 15, 1963, and thereafter on May 15 and November 15 in each year until the principal amount becomes payable. They will mature May 15, 1994, but may be redeemed at the option of the United States on and after May 15, 1989, at par and accrued interest, on any interest day, on 4 months' notice of redemption given in such manner as the Secretary of the Treasury shall prescribe. From the date of redemption designated in any such notice, interest on the bonds called for redemption shall cease.

2. The income derived from the bonds is subject to all taxes imposed under the Internal Revenue Code of 1954. The bonds are subject to estate, inheritance, gift, or other excise taxes, whether Federal or State, but are exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority.

3. The bonds are acceptable to secure deposits of public moneys.

4. Bearer bonds with interest coupons attached, and bonds registered as to principal and interest, are available in denominations of $500, $1,000, $5,000, $10,000, $100,000, and $1,000,000. Provision has been made for the interchange of bonds of different denominations and of bearer and registered bonds, and for the transfer of registered bonds.

5. If the bonds are owned by a decedent at the time of his death and thereupon constitute a part of his estate, they will be redeemed at par and accrued interest at the option of the representative of the estate, provided the Secretary of the Treasury is authorized by the decedent's estate to apply the entire proceeds of redemption to payment of the Federal estate taxes on such decedent's estate.

6. The bonds are subject to the general rules and regulations of the Treasury Department, now or hereafter prescribed, governing United States securities.

JOHN K. CARLOCK,
Fiscal Assistant Secretary.

707-484—64——16

Summary of information pertaining to Treasury bonds issued during the fiscal year 1963

Date of preliminary announcement	Department circular		Concurrent offering circular number	Treasury bonds issued for exchange or for cash	Date of issue	Date of maturity	Date subscription books closed	Allotment payment date on or before (or on later allotment)
	Number	Date						
1962 July 26	13–62	*1962* July 30	12–62, 14–62	4 percent of 1969 at par [1]	*1962* Aug. 15	*1969* Feb. 15	*1962* July 30	*1962* Aug. 15
July 26	14–62	July 30	12–62, 13–62	4¼ percent of 1987–92 issued at 101 [1,2]	Aug. 15	*1992* Aug. 15	July 30	Aug. 15
Sept. 5	16–62	Sept. 10	15–62	4 percent of 1972 issued at prices indicated below in exchange for— 3½ percent Series A–1963 certificates maturing Feb. 15, 1963 (99.30); 2⅝ percent Series A–1963 notes maturing Feb. 15, 1963 (99.70); 3¼ percent Series E–1963 notes maturing Feb. 15, 1963 (99.40); 3¼ percent Series B–1963 certificates maturing May 15, 1963 (99.40); 3¼ percent Series D–1963 notes maturing May 15, 1963 (99.40); 4 percent Series B–1963 notes maturing May 15, 1963 (98.80).	Sept. 15	*1972* Aug. 15	Sept. 12	[3] Sept. 20
Oct. 25	19–62	Oct. 29	17–62, 18–62	4 percent of 1972 issued at par in exchange for— 3¾ percent Series C–1962 notes maturing Nov. 15, 1962; 3¼ percent Series H–1962 notes maturing Nov. 15, 1962; 2¼ percent Treasury bonds of 1959–62 maturing Dec. 15, 1962; 2¾ percent Treasury bonds of 1960–65 called for redemption on Dec. 15, 1962.	Nov. 15	Feb. 15	Oct. 31	[4] Nov. 15
Nov. 15	20–62	Nov. 15	21–62	3⅞ percent of 1971 (additional issue) issued at 99.50 in exchange for— U.S. savings bonds of Series F and G maturing in the calendar years 1963 and 1964	May 15 [5]	*1971* Nov. 15	[6]	[7] Dec. 17
Nov. 15	21–62	Nov. 15	20–62	4 percent of 1980 (additional issue) issued at 99.50 in exchange for— U.S. savings bonds of Series F and G maturing in the calendar years 1963 and 1964	*1959* Jan. 23 [5]	*1980* Feb. 15	[6]	[8] Dec. 17
Dec. 20	10–63	*1963* May 16		4 percent of 1988–93 issued at 99.85111 for cash [9]	*1963* Jan. 17	*1993* Feb. 15	*1963* Jan. 8	*1963* Jan. 17
1963 Jan. 30	3–63	Feb. 4	2–63	3¾ percent of 1968 (additional issue) issued at par in exchange for— 3½ percent Series A–1963 certificates maturing Feb. 15, 1963; 2⅝ percent Series A–1963 notes maturing Feb. 15, 1963; 3¼ percent Series E–1963 notes maturing Feb. 15, 1963.	*1962* Apr. 18 [10]	*1968* Aug. 15	Feb. 6	[11] Feb. 15

Feb. 20	5–63	Feb. 21	4–63, 6–63	3⅞ percent of 1971 (additional issue) issued at prices indicated below in exchange for— 3½ percent Series C–1963 certificates maturing Aug. 15, 1963 (98.90); 2½ percent Treasury bonds of 1963 maturing Aug. 15, 1963 (99.30); 3⅛ percent Series D–1963 certificates maturing Nov. 15, 1963 (99.10); 3 percent Treasury bonds of 1964 maturing Feb. 15, 1964 (99.30).	May 15 [12]	1971 Nov. 15	[13]	[14] Mar. 15
Feb. 20	6–63	Feb. 21	4–63, 5–63 7–63	4 percent of 1980 (additional issue) issued at prices indicated below in exchange for— 3½ percent Series C–1963 certificates maturing Aug. 15, 1963 (99.10); 2½ percent Treasury bonds of 1963 maturing Aug. 15, 1963 (99.50); 3⅛ percent Series D–1963 certificates maturing Nov. 15, 1963 (99.30); 3 percent Treasury bonds of 1964 maturing Feb. 15, 1964 (99.50); 3½ percent Series B–1965 notes maturing Nov. 15, 1965 (99.00); 3⅝ percent Series B–1966 notes maturing Feb. 15, 1966 (98.80); 3 percent Treasury bonds of 1966 maturing Aug. 15, 1966 (100.50); 3⅜ percent Treasury bonds of 1966 maturing Nov. 15, 1966 (99.60).	1959 Jan. 23 [12]	1980 Feb. 15	[13]	[15] Mar. 15
Feb. 20	7–63	Feb. 21	6–63	3⅞ percent of 1974 (additional issue) issued at prices indicated below in exchange for— 3½ percent Series B–1965 notes maturing Nov. 15, 1965 (98.50); 3⅝ percent Series B–1966 notes maturing Feb. 15, 1966 (98.30); 3 percent Treasury bonds of 1966 maturing Aug. 15, 1966 (par); 3⅜ percent Treasury bonds of 1966 maturing Nov. 15, 1966 (99.10).	1957 Dec. 2 [12]	1974 Nov. 15	[13]	[16] Mar. 15
Mar. 20	11–63	May 16		4⅛ percent of 1989–94 issued at 100.5511 for cash [17]	1963 Apr. 18	1994 May 15	Apr. 9	Apr. 18
June 6	12–63	June 7		4 percent of 1970 issued at par for cash	June 20	1970 Aug. 15	June 11	[18] June 20

Footnotes on following page.

[1] Holders of 4 percent Treasury notes of Series B-1962 and 3¼ percent Treasury notes of Series C-1962, both of which matured Aug. 15, 1962, were not offered preemptive rights to exchange their holdings for the new bonds. Payment for cash subscriptions allotted could be made in whole or in part in cash or by exchange at par of the notes of Series B-1962 or C-1962. Coupons dated Aug. 15, 1962, were detached from the notes in bearer form and cashed when due. Payment was permitted by credit in Treasury tax and loan accounts.

[2] Department Circular No. 14-62 is reproduced in this exhibit.

[3] Coupons were required to be attached to bearer securities submitted in exchange and payments were made to all subscribers as follows (per $1,000):

Security surrendered	Coupons attached	Accrued interest paid		Paid on account of issue price on new bonds
		For period	Amount	
3½% Ctf. A-63	Feb. 15, 1963	Aug. 15-Sept. 15	$2.94837	$7.00
2⅝% Note A-63	Feb. 15, 1963	Aug. 15-Sept. 15	2.21128	3.00
3¼% Note E-63	Feb. 15, 1963	Aug. 15-Sept. 15	2.73777	6.00
3¼% Ctf. B-63	Nov. 15, 1962, and May 15, 1963.	May 15-Sept. 15	10.86277	6.00
3¼% Note D-63	Nov. 15, 1962, and May 15, 1963.	May 15-Sept. 15	10.86277	6.00
4% Note B-63	Nov. 15, 1962, and May 15, 1963.	May 15-Sept. 15	13.36957	12.00

[4] See Department Circular No. 19-62, secs. III and IV, in this exhibit, for provisions regarding subscription and payment.

[5] Interest payable from Dec. 15, 1962.

[6] For individuals (natural persons in their own right) books closed Nov. 30, 1962; for all other classes of subscribers, Nov. 26, 1962.

[7] See Department Circular No. 20-62, secs. III and IV, in this exhibit, for provisions for subscription and payment.

[8] See Department Circular No. 21-62, secs. III and IV, in this exhibit, for provisions for subscription and payment.

[9] Issue sold through competitive bidding to a syndicate. Public Notice of Invitation to Bid dated Dec. 20, 1962, and press release dated Jan. 2, 1963, are reproduced in this exhibit.

[10] Interest payable from Feb. 15, 1963.

[11] Coupons dated Feb. 15, 1963, were detached from the certificates and notes in bearer form and cashed when due.

[12] Interest payable from Mar. 15, 1963.

[13] For individuals (natural persons in their own right) books closed Mar. 8, 1963; for all other classes of subscribers, Feb. 28, 1963.

[14] Coupons were required to be attached to bearer securities submitted in exhange and accrued interest was paid to all subscribers for the period shown as follows:

Security	Coupons attached	Accrued interest paid for
3½% Ctf. C-63	Aug. 15, 1963	Feb. 15-Mar. 15, 1963
2½% Bond 1963	Aug. 15, 1963	Feb. 15-Mar. 15, 1963
3⅛% Ctf. D-63	May 15 and Nov. 15, 1963	Nov. 15, 1962-Mar. 15, 1963
3% Bond 1964	Aug. 15, 1963 and Feb. 15, 1964	Feb. 15-Mar. 15, 1963

Accrued interest on old security (Col. 2) and amount due on account of issue price of new bond (Col. 3) were credited to subscriber, accrued interest on new bond (Col. 4) was charged, and difference paid to subscriber (Col. 5) or collected from subscriber (Col. 6) as follows (per $1,000):

Security	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6
3½% Ctf. C-63	$2.70718	$11.00	$12.84530	$0.86188	--------
2½% Bond 1963	1.93370	7.00	12.84530	--------	$3.91160
3⅛% Ctf. D-63	10.35912	9.00	12.84530	6.51382	--------
3% Bond 1964	2.32044	7.00	12.84530	--------	3.52486

[15] See Department Circular No. 6-63, secs. III and IV, in this exhibit, for provisions for subscription and payment.

[16] Coupons were required to be attached to bearer securities submitted in exchange and accrued interest was paid to all subscribers for the period shown as follows:

Security	Coupons attached	Accrued interest paid for
3½% Note B-65	May 15, 1963, and subsequent	Nov. 15, 1962-Mar. 15, 1963
3⅝% Note B-66	Aug. 15, 1963, and subsequent	Feb. 15-Mar. 15, 1963
3% Bond 1966	Aug. 15, 1963, and subsequent	Feb. 15-Mar. 15, 1963
3⅜% Bond 1966	May 15, 1963, and subsequent	Nov. 15, 1962-Mar. 15, 1963

Accrued interest on old security (Col. 2) and amount due on account of issue price of new bond (Col. 3) were credited to subscriber, accrued interest on new bond (Col. 4) was charged, and difference paid to subscriber (Col. 5) or collected from subscriber (Col. 6) as follows (per $1,000):

Security	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6
3½% Note B-65	$11.60221	$15.00	$12.84530	$13.75691	---------
3⅝% Note B-66	2.80387	17.00	12.84530	6.95857	---------
3% Bond 1966	2.32044	------	12.84530	---------	$10.52486
3⅜% Bond 1966	11.18785	9.00	12.84530	7.34255	---------

[17] Issue sold through competitive bidding to a syndicate. Department Circular No. 11-63 is reproduced in this exhibit. (Invitation to bid and supplemental press release were similar to those dated Dec. 20, 1962, and Jan. 2, 1963, respectively, reproduced in this exhibit.)

[18] Payment was permitted by credit in Treasury tax and loan accounts.

Allotments of Treasury bonds issued during the fiscal year 1963, by Federal Reserve districts

[In thousands]

Federal Reserve district	4 percent Treasury bonds of 1969 [1]	4¼ percent Treasury bonds of 1987–92 [2]	4 percent Treasury bonds of 1972 issued in exchange for— [3]						
			3½ percent Series A–1963 certificates maturing Feb. 15, 1963 [4]	2⅝ percent Series A–1963 Treasury notes maturing Feb. 15, 1963 [4]	3¼ percent Series E–1963 Treasury notes maturing Feb. 15, 1963 [4]	3¼ percent Series B–1963 certificates maturing May 15, 1963 [4]	3¼ percent Series D–1963 Treasury notes maturing May 15, 1963 [4]	4 percent Series B–1963 Treasury notes maturing May 15, 1963 [4]	Total issued
Boston	$102,669	$20,473	$31,549	$37,544	$6,487	$31,142	$29,126	$17,626	$153,474
New York	423,906	160,843	224,109	254,536	158,578	114,908	238,843	292,614	1,283,588
Philadelphia	61,307	4,338	249	1,675	2,838	27,862	14,795	1,818	49,237
Cleveland	125,128	4,589	6,302	8,700	4,281	12,343	12,104	2,547	46,277
Richmond	74,508	17,045	1,505	1,991	5,391	14,498	7,601	2,103	33,089
Atlanta	87,516	14,725	2,101	3,733	5,097	13,652	8,154	7,628	40,365
Chicago	325,442	42,617	59,094	73,298	24,218	46,848	40,879	36,361	280,698
St. Louis	74,710	5,598	6,234	6,089	10,610	13,877	11,800	6,077	54,687
Minneapolis	62,864	7,274	6,444	3,422	10,758	13,795	30,495	4,290	69,204
Kansas City	81,800	7,192	5,956	13,537	3,402	14,924	16,605	3,968	58,392
Dallas	66,827	7,287	1,311	4,318	5,957	21,358	17,622	3,925	54,491
San Francisco	256,808	22,581	23,190	39,832	21,271	31,896	55,811	18,698	190,698
Treasury	131	560	2,283	3	133	21,689	235,905	4,334	264,347
Government investment accounts	100,000	50,000							
Total bond allotments	1,843,616	365,122	370,327	448,678	259,021	378,792	719,740	401,989	2,578,547
Securities eligible for exchange:									
Exchanged in concurrent offerings			772,384	952,567	1,093,461	180,885	1,300,863	981,368	5,281,528
Total exchanged			1,142,711	1,401,245	1,352,482	559,677	2,020,603	1,383,357	7,860,075
Not submitted for exchange			5,718,844	1,438,108	2,289,982	6,126,045	3,026,849	359,683	18,959,511
Total securities eligible for exchange			6,861,555	2,839,353	3,642,464	6,685,722	5,047,452	1,743,040	26,819,586

Footnotes at end of table.

Allotments of Treasury bonds issued during the fiscal year 1963, by Federal Reserve districts—Continued

[In thousands]

Federal Reserve district	4 percent Treasury bonds of 1972 issued in exchange for—[3]				
	3¾ percent Series C–1962 Treasury notes maturing Nov. 15, 1962 [5]	3¼ percent Series H–1962 Treasury notes maturing Nov. 15, 1962 [5]	2¼ percent Treasury bonds of 1959–62 maturing Dec. 15, 1962 [5]	2¾ percent Treasury bonds of 1960–65 called for redemption on Dec. 15, 1962 [5]	Total issued
Boston	$21,342	$24,874	$22,311	$16,048	$84,575
New York	217,475	284,922	361,928	219,863	1,084,188
Philadelphia	12,932	10,650	8,424	21,804	53,810
Cleveland	47,218	24,175	29,429	3,339	104,161
Richmond	6,059	6,258	11,205	15,624	39,146
Atlanta	7,679	24,720	10,731	1,034	44,164
Chicago	63,226	93,987	161,714	169,106	488,033
St. Louis	12,684	16,522	10,957	37,045	77,208
Minneapolis	11,273	13,907	12,133	7,861	45,174
Kansas City	9,663	17,789	8,208	19,865	55,525
Dallas	9,177	6,375	9,603	1,460	26,615
San Francisco	22,339	120,386	27,015	63,517	233,257
Treasury	5,191	298	54	2,112	7,655
Total bond allotments	446,258	644,863	673,712	578,678	2,343,511
Securities eligible for exchange:					
Exchanged in concurrent offerings	604,865	5,325,358	1,376,978	833,971	8,141,172
Total exchanged	1,051,123	5,970,221	2,050,690	1,412,649	10,484,683
Not submitted for exchange	91,833	111,574	218,785	72,734	494,926
Total securities eligible for exchange	1,142,956	6,081,795	2,269,475	1,485,383	10,979,609

Footnotes at end of table.

Allotments of Treasury bonds issued during the fiscal year 1963, by Federal Reserve districts—Continued

[In thousands]

Federal Reserve districts	3⅞ percent Treasury bonds of 1971 (additional issue) issued in exchange for Series F and Series G savings bonds maturing in the calendar years 1963 and 1964 [3]				4 percent Treasury bonds of 1980 (additional issue) issued in exchange for Series F and Series G savings bonds maturing in the calendar years 1963 and 1964 [2]			
	Series F savings bonds exchanged [6]	Series G savings bonds exchanged [6]	Cash differences [7]	Total issued	Series F savings bonds exchanged [8]	Series G savings bonds exchanged [8]	Cash differences [7]	Total issued
Boston	$1	$1,810	$2	$1,814	$3	$1,863	$3	$1,869
New York	1,389	5,196	12	6,597	692	6,211	13	6,916
Philadelphia	98	2,514	12	2,624	38	2,265	14	2,317
Cleveland	1,051	3,089	15	4,154	459	1,869	7	2,334
Richmond	170	1,567	3	1,740	110	1,232	4	1,347
Atlanta	345	1,694	4	2,043	400	2,562	3	2,965
Chicago	1,349	8,680	20	10,049	264	5,348	24	5,636
St. Louis	231	1,790	8	2,029	191	1,782	9	1,982
Minneapolis	106	1,281	3	1,391	4	1,110	3	1,117
Kansas City	250	3,512	5	3,767	34	2,409	9	2,452
Dallas	6	1,812	2	1,820	60	1,151	4	1,215
San Francisco	309	2,695	4	3,008	31	3,351	7	3,389
Treasury	41	328	1	371	63	333	2	398
Total bond allotments	5,346	35,968	93	41,407	2,349	31,486	102	33,937
Securities eligible for exchange:								
Exchanged in concurrent offerings	2,349	31,486	102	33,937	5,346	35,968	93	41,407
Total exchanged	7,695	67,454	195	75,344	7,695	67,454	195	75,344
Not submitted for exchange								
Total securities eligible for exchange								

Footnotes at end of table.

Allotments of Treasury bonds issued during the fiscal year 1963, by Federal Reserve districts—Continued

[In thousands]

Federal Reserve district	3¾ percent Treasury bonds of 1968 (additional issue) issued in exchange for—[2]				3⅞ percent Treasury bonds of 1971 (additional issue) issued in exchange for—[3]				
	3½ percent Series A-1963 certificates maturing Feb. 15, 1963 [9]	2⅝ percent Series A-1963 Treasury notes maturing Feb. 15, 1963 [9]	3¼ percent Series E-1963 Treasury notes maturing Feb. 15, 1963 [9]	Total issued	3½ percent Series C-1963 certificates maturing Aug. 15, 1963 [10]	2½ percent Treasury bonds of 1963 maturing Aug. 15, 1963 [10]	3⅛ percent Series D-1963 certificates maturing Nov. 15, 1963 [10]	3 percent Treasury bonds of 1964 maturing Feb. 15, 1964 [10]	Total issued
Boston	$25,416	$8,187	$38,080	$71,683	$24,108	$6,917	$2,230	$2,458	$35,713
New York	531,129	411,279	383,179	1,325,587	554,825	281,251	67,923	88,249	992,248
Philadelphia	38,250	17,573	21,199	77,022	1,417	37,626	2,982	7,215	49,240
Cleveland	71,281	17,994	49,121	138,396	7,875	19,322	5,807	4,645	37,649
Richmond	11,413	3,553	7,585	22,551	911	6,129	4,354	7,511	18,905
Atlanta	31,844	20,454	23,265	75,563	4,915	11,681	228	11,480	28,304
Chicago	87,221	111,137	141,150	339,508	83,006	77,015	7,967	24,854	192,842
St. Louis	36,586	17,605	32,262	86,453	3,637	13,467	366	5,650	23,120
Minneapolis	19,360	11,604	13,595	44,559	2,382	17,970	706	14,957	36,015
Kansas City	13,861	14,708	29,165	57,734	4,799	12,225	248	15,536	32,808
Dallas	11,013	19,886	16,581	47,480	2,928	10,809	545	4,450	18,732
San Francisco	87,358	89,388	23,252	199,998	2,570	36,996	251	8,619	48,436
Treasury	2,990	35	260	3,285	100	416		355	871
Total bond allotments	967,722	743,403	778,694	2,489,819	693,473	531,824	93,607	195,979	1,514,883
Securities eligible for exchange:									
Exchanged in concurrent offerings	4,692,175	652,335	1,396,704	6,741,214	977,326	2,324,533	207,998	869,644	4,379,501
Total exchanged	5,659,897	1,395,738	2,175,398	9,231,033	1,670,799	2,856,357	301,605	1,065,623	5,894,384
Not submitted for exchange	58,947	91,133	83,709	233,789	5,180,635	1,460,709	4,554,059	1,634,301	12,829,704
Total securities eligible for exchange	5,718,844	1,486,871	2,259,107	9,464,822	6,851,434	4,317,066	4,855,664	2,699,924	18,724,088

Footnotes at end of table.

Allotments of Treasury bonds issued during the fiscal year 1963, by Federal Reserve districts—Continued

[In thousands]

Federal Reserve district	4 percent Treasury bonds of 1980 (additional issue) issued in exchange for—[3]								
	3½ percent Series C-1963 certificates maturing Aug. 15, 1963[11]	2½ percent Treasury bonds of 1963 maturing Aug. 15, 1963[11]	3⅛ percent Series D-1963 certificates maturing Nov. 15, 1963[11]	3 percent Treasury bonds of 1964 maturing Feb. 15, 1964[11]	3½ percent Series B-1965 Treasury notes maturing Nov. 15, 1965[12]	3⅝ percent Series B-1966 Treasury notes maturing Feb. 15, 1966[12]	3 percent Treasury bonds of 1966 maturing Aug. 15, 1966[12]	3⅜ percent Treasury bonds of 1966 maturing Nov. 15, 1966[12]	Total issued
Boston	$709	$3,399	$125	$245	$1,551	$3,769	$2,694	$7,323	$19,815
New York	10,927	18,243	674	9,459	171,394	363,043	82,855	142,807	799,402
Philadelphia	300	3,071	4	290	82	64	900	9,301	14,012
Cleveland	208	2,212	69	395	174	383	2,914	4,288	10,643
Richmond	30	1,169	----------	160	65	125	3,821	6,437	11,807
Atlanta	350	848	13	685	104	94	4,709	4,965	11,768
Chicago	1,883	8,903	1,093	1,289	12,878	7,821	7,109	11,749	52,725
St. Louis	294	3,051	90	1,389	3,005	316	2,685	4,125	14,955
Minneapolis	141	550	3	297	157	1,703	898	1,851	5,600
Kansas City	653	3,838	----------	3,763	2,077	5,575	4,386	5,146	25,438
Dallas	608	1,349	25	81	2,278	914	1,619	4,109	10,983
San Francisco	1,216	2,319	14	6,201	1,682	36,198	9,169	10,430	67,229
Treasury	27	197	3	104	18	35	85,822	463	86,669
Total bond allotments	17,346	49,149	2,113	24,358	195,465	420,040	209,581	212,994	1,131,046
Securities eligible for exchange:									
Exchanged in concurrent offerings	1,653,453	2,807,208	299,492	1,041,265	136,239	313,758	250,315	373,227	6,874,957
Total exchanged	1,670,799	2,856,357	301,605	1,065,623	331,704	733,798	459,896	586,221	8,006,003
Not submitted for exchange	5,180,635	1,460,709	4,554,059	1,634,301	2,953,804	2,380,101	1,024,402	1,851,408	21,039,419
Total securities eligible for exchange	6,851,434	4,317,066	4,855,664	2,699,924	3,285,508	3,113,899	1,484,298	2,437,629	29,045,422

Footnotes at end of table.

Allotments of Treasury bonds issued during the fiscal year 1963, by Federal Reserve districts—Continued

[In thousands]

Federal Reserve district	3⅞ percent Treasury bonds of 1974 (additional issue) issued in exchange for—[3]					4 percent Treasury bonds of 1970 [14]
	3½ percent Series B-1965 Treasury notes maturing Nov. 15, 1965 [13]	3⅝ percent Series B-1966 Treasury notes maturing Feb. 15, 1966 [13]	3 percent Treasury bonds of 1966 maturing Aug. 15, 1966 [13]	3⅜ percent Treasury bonds of 1966 maturing Nov. 15, 1966 [13]	Total issued	
Boston	$1,136	$5,634	$8,160	$5,527	$20,457	$98,392
New York	85,257	226,498	87,791	185,272	584,818	472,737
Philadelphia	8,002	8,298	10,901	15,144	42,345	68,440
Cleveland	2,753	3,615	15,916	10,546	32,830	124,490
Richmond	716	5,002	4,658	6,040	16,416	83,709
Atlanta	3,378	3,720	5,039	9,074	21,211	154,851
Chicago	17,656	45,302	32,204	50,923	146,085	301,143
St. Louis	2,053	6,383	8,089	10,619	27,144	107,820
Minneapolis	630	2,634	16,675	15,608	35,547	77,701
Kansas City	2,290	1,286	6,848	9,520	19,944	127,017
Dallas	3,069	1,063	10,530	16,209	30,871	88,938
San Francisco	9,218	4,306	40,907	37,495	91,926	198,682
Treasury	81	17	2,597	1,250	3,945	1,891
Total bond allotments	136,239	313,758	250,315	373,227	1,073,539	1,905,811
Securities eligible for exchange:						
Exchanged in concurrent offerings	195,465	420,040	209,581	212,994	1,038,080	
Total exchanged	331,704	733,798	459,896	586,221	2,111,619	
Not submitted for exchange	2,953,804	2,380,101	1,024,402	1,851,408	8,209,715	
Total securities eligible for exchange	3,285,508	3,113,899	1,484,298	2,437,629	10,321,334	

[1] Subscriptions from Government investment accounts were allotted in full. All others in amounts up to $100,000 were allotted in full and those over $100,000 were allotted 22 percent, but not less than $100,000.

[2] Subscriptions were allotted in full.

[3] Advance refunding; all subscriptions allotted in full.

[4] 3¾ percent Treasury notes of Series A-1967 were also offered in exchange for this security.

[5] 3⅛ percent Treasury certificates of indebtedness of Series D-1963 and 3½ percent Treasury notes of Series B-1965 were also offered in exchange for this security.

[6] 4 percent Treasury bonds of 1980 (additional issue) were also offered in exchange for this security.

[7] Necessary to make up the next higher $500 multiple.

[8] 3⅞ percent Treasury bonds of 1971 (additional issue) were also offered in exchange for this security.

[9] 3¼ percent Treasury certificates of indebtedness of Series A-1964 were also offered in exchange for this security.

[10] 3⅝ percent Treasury notes of Series B-1967 and 4 percent Treasury bonds of 1980 (additional issue) were also offered in exchange for this security.

[11] 3⅝ percent Treasury notes of Series B-1967 and 3⅞ percent Treasury bonds of 1971 (additional issue) were also offered in exchange for this security.

[12] 3⅞ percent Treasury bonds of 1974 (additional issue) were also offered in exchange for this security.

[13] 4 percent Treasury bonds of 1980 (additional issue) were also offered in exchange for this security.

[14] Subscriptions up to $100,000 were allotted in full; other subscriptions were allotted 5 percent with a minimum allotment of $100,000 per subscription.

NOTE.—In addition to bonds listed above, a $250,000,000 issue of 4 percent bonds of 1988-93, and a $300,000,000 issue of 4⅛ percent bonds of 1989-94, were each sold through competitive bidding to a syndicate.

EXHIBIT 4.—Call, August 14, 1962, for redemption on December 15, 1962, of 2¾ percent Treasury bonds of 1960–65, dated December 15, 1938 (press release of August 14, 1962)

TREASURY CALLS LAST PARTIALLY TAX-EXEMPT BOND

The Treasury Department today announced the official notice of call for redemption on December 15, 1962, of the partially tax-exempt 2¾ percent Treasury bonds of 1960–65, dated December 15, 1938, due December 15, 1965. There are now outstanding $1,485,383,100 of these bonds.

The 2½ percent bonds of 1962–67, which are also callable on December 15, 1962, will not be called for redemption on that date.

The text of the formal notice of call is as follows:

Two and Three-quarters Percent Treasury Bonds of 1960–65
(Dated December 15, 1938)

NOTICE OF CALL FOR REDEMPTION

To Holders of 2¾ Percent Treasury Bonds of 1960–65, and Others Concerned:

1. Public notice is hereby given that all outstanding 2¾ percent Treasury bonds of 1960–65, dated December 15, 1938, due December 15, 1965, are hereby called for redemption on December 15, 1962, on which date interest on such bonds will cease.

2. Holders of these bonds may, in advance of the redemption date, be offered the privilege of exchanging all or any part of their called bonds for other interest-bearing obligations of the United States, in which event public notice will hereafter be given and an official circular governing the exchange offering will be issued.

3. Full information regarding the presentation and surrender of the bonds for cash redemption under this call will be found in Department Circular No. 300, Revised, dated April 30, 1955.

DOUGLAS DILLON,
Secretary of the Treasury.

Treasury Bills Offered and Accepted

EXHIBIT 5.—Treasury bills

During the fiscal year 1963 there were 52 weekly issues each of 13-week and 26-week Treasury bills (the 13-week bills represent additional issues of bills with an original maturity of 26 weeks), 3 issues of tax anticipation series, 4 one-year issues, and one issue of a strip of weekly bills representing additional amounts of 10 series of outstanding Treasury bills. Four press releases inviting tenders and four releases announcing the acceptance of tenders are reproduced in this exhibit. The press releases of June 5 and June 10, 1963, are in a form representative of a weekly double issue of regular bills (91- and 182-day) in which there is an additional issue of a currently outstanding issue of 182-day bills. The details of the issue of strip bills are explained in the releases of November 1 and November 7, 1962. The tax anticipation series is represented by the releases of January 22 and January 30, 1963, and the one-year bill issues are represented by the releases of July 2 and July 10, 1962. The essential details regarding each issue of Treasury bills during fiscal 1963 are summarized in the table following the releases.

There is also printed herein a press release, dated August 28, 1962, announcing that the Secretary of the Treasury had invoked the right he reserves to place a restriction on the amount of Treasury bills to be awarded to a single bidder.

PRESS RELEASE OF JUNE 5, 1963

The Treasury Department, by this public notice, invites tenders for two series of Treasury bills to the aggregate amount of $2,100,000,000, or thereabouts, for cash and in exchange for Treasury bills maturing June 13, 1963, in the amount of $2,101,373,000, as follows:

91-day bills (to maturity date) to be issued June 13, 1963, in the amount of $1,300,000,000, or thereabouts, representing an additional amount of bills dated

March 14, 1963, and to mature September 12, 1963, originally issued in the amount of $800,265,000, the additional and original bills to be freely interchangeable.

182-day bills, for $800,000,000, or thereabouts, to be dated June 13, 1963, and to mature December 12, 1963.

The bills of both series will be issued on a discount basis under competitive and noncompetitive bidding as hereinafter provided, and at maturity their face amount will be payable without interest. They will be issued in bearer form only, and in denominations of $1,000, $5,000, $10,000, $50,000, $100,000, $500,000, and $1,000,000 (maturity value).

Tenders will be received at Federal Reserve Banks and branches up to the closing hour, one-thirty p.m., eastern daylight saving time, Monday, June 10, 1963. Tenders will not be received at the Treasury Department, Washington. Each tender must be for an even multiple of $1,000, and in the case of competitive tenders the price offered must be expressed on the basis of 100, with not more than three decimals, e.g., 99.925. Fractions may not be used. It is urged that tenders be made on the printed forms and forwarded in the special envelopes which will be supplied by Federal Reserve Banks or branches on application therefor.

Banking institutions generally may submit tenders for account of customers provided the names of the customers are set forth in such tenders. Others than banking institutions will not be permitted to submit tenders except for their own account. Tenders will be received without deposit from incorporated banks and trust companies and from responsible and recognized dealers in investment securities. Tenders from others must be accompanied by payment of 2 percent of the face amount of Treasury bills applied for, unless the tenders are accompanied by an express guaranty of payment by an incorporated bank or trust company.

Immediately after the closing hour, tenders will be opened at the Federal Reserve Banks and branches, following which public announcement will be made by the Treasury Department of the amount and price range of accepted bids. Those submitting tenders will be advised of the acceptance or rejection thereof. The Secretary of the Treasury expressly reserves the right to accept or reject any or all tenders, in whole or in part, and his action in any such respect shall be final. Subject to these reservations, noncompetitive tenders for $200,000 or less for the additional bills dated March 14, 1963, (91 days remaining until maturity date on September 12, 1963) and noncompetitive tenders for $100,000 or less for the 182-day bills without stated price from any one bidder will be accepted in full at the average price (in three decimals) of accepted competitive bids for the respective issues. Settlement for accepted tenders in accordance with the bids must be made or completed at the Federal Reserve Banks on June 13, 1963, in cash or other immediately available funds or in a like face amount of Treasury bills maturing June 13, 1963. Cash and exchange tenders will receive equal treatment. Cash adjustments will be made for differences between the par value of maturing bills accepted in exchange and the issue price of the new bills.

The income derived from Treasury bills, whether interest or gain from the sale or other disposition of the bills, does not have any exemption, as such, and loss from the sale or other disposition of Treasury bills does not have any special treatment, as such, under the Internal Revenue Code of 1954. The bills are subject to estate, inheritance, gift, or other excise taxes, whether Federal or State, but are exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority. For purposes of taxation the amount of discount at which Treasury bills are originally sold by the United States is considered to be interest. Under sections 454(b) and 1221(5) of the Internal Revenue Code of 1954 the amount of discount at which bills issued hereunder are sold is not considered to accrue until such bills are sold, redeemed, or otherwise disposed of, and such bills are excluded from consideration as capital assets. Accordingly, the owner of Treasury bills (other than life insurance companies) issued hereunder need include in his income tax return only the difference between the price paid for such bills, whether on original issue or on subsequent purchase, and the amount actually received either upon sale or redemption at maturity during the taxable year for which the return is made, as ordinary gain or loss.

Treasury Department Circular No. 418 (current revision) and this notice prescribe the terms of the Treasury bills and govern the conditions of their issue. Copies of the circular may be obtained from any Federal Reserve Bank or branch.

PRESS RELEASE OF JUNE 10, 1963

The Treasury Department announced last evening that the tenders for two series of Treasury bills, one series to be an additional issue of the bills dated March 14, 1963, and the other series to be dated June 13, 1963, which were offered on June 5, were opened at the Federal Reserve Banks on June 10. Tenders were invited for $1,300,000,000, or thereabouts, of 91-day bills and for $800,000,000, or thereabouts, of 182-day bills. The details of the two series are as follows:

Range of accepted competitive bids	91-day Treasury bills maturing Sept. 12, 1963		182-day Treasury bills maturing Dec. 12, 1963	
	Price	Approximate equivalent annual rate	Price	Approximate equivalent annual rate
High	99.254	2.951%	98.458	3.050%
Low	99.245	2.987%	98.448	3.070%
Average	99.248	[1] 2.975%	98.452	[1] 3.063%

(53 percent of the amount of 91-day bills bid for at the low price was accepted and 59 percent of the amount of 182-day bills bid for at the low price was accepted)

[1] On a coupon issue of the same length and for the same amount invested, the return on these bills would provide yields of 3.04 percent for the 91-day bills, and 3.15 percent for the 182-day bills. Interest rates on bills are quoted in terms of bank discount with the return related to the face amount of the bills payable at maturity rather than the amount invested and their length in actual number of days related to a 360-day year. In contrast, yields on certificates, notes, and bonds are computed in terms of interest on the amount invested, and relate the number of days remaining in an interest payment period to the actual number of days in the period, with semiannual compounding if more than one coupon period is involved.

Total tenders applied for and accepted by Federal Reserve districts

District	Applied for	Accepted	Applied for	Accepted
Boston	$27,577,000	$17,577,000	$21,296,000	$4,296,000
New York	1,553,198,000	853,398,000	1,163,615,000	606,455,000
Philadelphia	31,957,000	16,957,000	11,849,000	6,849,000
Cleveland	29,143,000	29,143,000	25,055,000	22,464,000
Richmond	10,905,000	10,905,000	4,426,000	3,406,000
Atlanta	45,562,000	42,152,000	13,789,000	13,379,000
Chicago	215,053,000	146,293,000	108,853,000	45,393,000
St. Louis	30,442,000	24,972,000	6,990,000	5,285,000
Minneapolis	19,842,000	18,137,000	6,679,000	5,474,000
Kansas City	27,717,000	23,717,000	9,160,000	5,119,000
Dallas	34,163,000	30,223,000	9,127,000	6,717,000
San Francisco	102,780,000	86,640,000	94,782,000	76,092,000
Total	2,128,339,000	[1] 1,300,114,000	1,475,621,000	[2] 800,929,000

[1] Includes $243,896,000 noncompetitive tenders accepted at the average price of 99.248.
[2] Includes $57,468,000 noncompetitive tenders accepted at the average price of 98.452.

PRESS RELEASE OF NOVEMBER 1, 1962

The Treasury Department, by this public notice, invites tenders for additional amounts of ten series of Treasury bills to an aggregate amount of $1,000,000,000, or thereabouts, for cash. The additional bills will be issued November 15, 1962, will be in the amounts, and will be in addition to the bills orginially issued and maturing as follows:

Amount of additional issue	Original issue dates 1962	Maturity dates 1963	Days from Nov. 15, 1962, to maturity	Amount outstanding (in millions)
$100,000,000	July 19	Jan. 17	63	$2,000
100,000,000	July 26	Jan. 24	70	2,003
100,000,000	Aug. 2	Jan. 31	77	2,001
100,000,000	Aug. 9	Feb. 7	84	700
100,000,000	Aug. 16	Feb. 14	91	704
100,000,000	Aug. 23	Feb. 21	98	700
100,000,000	Aug. 30	Feb. 28	105	700
100,000,000	Sept. 6	Mar. 7	112	700
100,000,000	Sept. 13	Mar. 14	119	701
100,000,000	Sept. 20	Mar. 21	126	700
1,000,000,000				

The additional and original bills will be freely interchangeable.

Each tender submitted must be in the amount of $10,000, or an even multiple thereof, and the amount tendered will be applied to each of the above series of bills on the basis of the ratio of each series to the total of all series. (For example, an accepted tender for $50,000 will be applied $5,000 to the issue with original date of July 19, 1962, and $5,000 to each of the additional weekly issues through the issue with original date of September 20, 1962.)

The bills offered hereunder will be issued on a discount basis under competitive and noncompetitive bidding as hereinafter provided, and at maturity their face amount will be payable without interest. They will be issued in bearer form only, and in denominations of $1,000, $5,000, $10,000, $50,000, $100,000, $500,000, and $1,000,000 (maturity value).

Tenders will be received at Federal Reserve Banks and branches up to the closing hour, one-thirty p.m., eastern standard time, Wednesday, November 7, 1962. Tenders will not be received at the Treasury Department, Washington. In the case of competitive tenders the price offered must be expressed on the basis of 100, with not more than three decimals, e.g., 99.925. Fractions may not be used. A single price must be submitted for each unit of $10,000, or even multiple thereof. A unit represents $1,000 face amount of each issue of bills offered hereunder, as previously described. It is urged that tenders be made on the printed forms and forwarded in the special envelopes which will be supplied by Federal Reserve Banks and branches on application therefor.

Banking institutions generally may submit tenders for account of customers provided the names of the customers are set forth in such tenders. Others than banking institutions will not be permitted to submit tenders except for their own account. Tenders will be received without deposit from incorporated banks and trust companies and from responsible and recognized dealers in investment securities. Tenders from others must be accompanied by payment of 2 percent of the face amount of Treasury bills applied for, unless the tenders are accompanied by an express guaranty of payment by an incorporated bank or trust company.

Immediately after the closing hour, tenders will be opened at the Federal Reserve Banks and branches, following which public announcement will be made by the Treasury Department of the amount and price range of accepted bids. Those submitting tenders will be advised of the acceptance or rejection thereof. The Secretary of the Treasury expressly reserves the right to accept or reject any or all tenders, in whole or in part, and his action in any such respect shall be final. Noncompetitive tenders for $100,000 or less (in even multiples of $10,000) without stated price from any one bidder will be accepted in full at the average price (in three decimals) of accepted competitive bids, provided, however, that if the total of noncompetitive tenders exceeds $200,000,000, the Secretary of the

Treasury reserves the right to allot less than the amount applied for on a straight percentage basis with adjustments where necessary to the next higher multiple of $10,000. Settlement for accepted tenders in accordance with the bids must be made or completed at the Federal Reserve Bank or branch in cash or other immediately available funds on November 15, 1962.

The income derived from Treasury bills, whether interest or gain from the sale or other disposition of the bills, does not have any exemption, as such, and loss from the sale or other disposition of Treasury bills does not have any special treatment, as such, under the Internal Revenue Code of 1954. The bills are subject to estate, inheritance, gift, or other excise taxes, whether Federal or State, but are exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority. For purposes of taxation the amount of discount at which Treasury bills are originally sold by the United States is considered to be interest.

Under sections 454(b) and 1221(5) of the Internal Revenue Code of 1954 the amount of discount at which bills issued hereunder are sold is not considered to accrue until such bills are sold, redeemed, or otherwise disposed of, and such bills are excluded from consideration as capital assets. Accordingly, the owner of Treasury bills (other than life insurance companies) issued hereunder need include in his income tax return only the difference between the price paid for such bills, whether on original issue or on subsequent purchase, and the amount actually received either upon sale or redemption at maturity during the taxable year for which the return is made, as ordinary gain or loss. Purchasers of a strip of the bills offered hereunder should, for tax purposes, take such bills on to their books on the basis of their purchase price prorated to each of the ten outstanding issues using as a basis for proration the closing market prices for each of the issues on November 15, 1962. (Federal Reserve Banks will have available a list of these market prices, based on the mean between the bid and asked quotations furnished by the Federal Reserve Bank of New York.)

Treasury Department Circular No. 418, Revised, and this notice, prescribe the terms of the Treasury bills and govern the conditions of their issue. Copies of the circular may be obtained from any Federal Reserve Bank or branch.

PRESS RELEASE OF NOVEMBER 7, 1962

The Treasury Department announced last evening that tenders for additional amounts of ten series of Treasury bills to an aggregate amount of $1,000,000,000, or thereabouts, to be issued November 15, 1962, which were offered on November 1, were opened at the Federal Reserve Banks on November 7. The amount of accepted tenders will be equally divided among the ten regular weekly issues of outstanding Treasury bills maturing January 17, 1963, to March 21, 1963, inclusive. The details of the offering are as follows:

Total applied for	$2, 409, 960, 000
Total accepted (includes $13,160,000 entered on a noncompetitive basis and accepted in full at the average price shown below)	1, 001, 210, 000

Range of accepted competitive bids	Price	Approximate equivalent annual rate of discount based on 94.5 days (average number of days to maturity)
High	99. 258	2. 827%
Low	99. 245	2. 876%
Average	99. 248	[1] 2. 866%

(18 percent of the amount bid for at the low price was accepted.)

[1] On a coupon issue of the same length as the average for the bills and for the same amount invested, the return on these bills would provide a yield of 2.93 percent. Interest rates on bills are quoted in terms of bank discount with the return related to the face amount of the bills payable at maturity rather than the amount invested and their length in actual number of days related to a 360-day year. In contrast, yields on certificates, notes, and bonds are computed in terms of interest on the amount invested, and relate the number of days remaining in an interest payment period to the actual number of days in the period, with semiannual compounding if more than one coupon period is involved.

Total tenders applied for and accepted by Federal Reserve districts

District	Applied for	Accepted
Boston	$31,450,000	$25,750,000
New York	2,010,220,000	853,020,000
Philadelphia	10,310,000	310,000
Cleveland	32,470,000	27,470,000
Richmond	21,050,000	13,410,000
Atlanta	16,860,000	6,950,000
Chicago	144,440,000	27,680,000
St. Louis	8,240,000	1,740,000
Minneapolis	12,960,000	6,140,000
Kansas City	12,660,000	1,660,000
Dallas	21,100,000	1,280,000
San Francisco	88,200,000	35,800,000
Total	2,409,960,000	1,001,210,000

PRESS RELEASE OF JANUARY 22, 1963

The Treasury Department, by this public notice, invites tenders for $1,000,000,000, or thereabouts, of 138-day Treasury bills, to be issued on a discount basis under competitive and noncompetitive bidding as hereinafter provided. The bills of this series will be designated tax anticipation series, they will be dated February 6, 1963, and they will mature June 24, 1963. They will be accepted at face value in payment of income and profits taxes due on June 15, 1963, and to the extent they are not presented for this purpose the face amount of these bills will be payable without interest at maturity. Taxpayers desiring to apply these bills in payment of June 15, 1963, income and profits taxes have the privilege of surrendering them to any Federal Reserve Bank or branch or to the Office of the Treasurer of the United States, Washington, not more than fifteen days before June 15, 1963, and receiving receipts therefor showing the face amount of the bills so surrendered. These receipts may be submitted in lieu of the bills on or before June 15, 1963, to the District Director of Internal Revenue for the district in which such taxes are payable. The bills will be issued in bearer form only, and in denominations of $1,000, $5,000, $10,000, $50,000, $100,000, $500,000, and $1,000,000 (maturity value).

Tenders will be received at Federal Reserve Banks and branches up to the closing hour, one-thirty p.m., eastern standard time, Wednesday, January 30, 1963. Tenders will not be received at the Treasury Department, Washington. Each tender must be for an even multiple of $1,000, and in the case of competitive tenders the price offered must be expressed on the basis of 100, with not more than three decimals, e.g., 99.925. Fractions may not be used. It is urged that tenders be made on the printed forms and forwarded in the special envelopes which will be supplied by Federal Reserve Banks or branches on application therefor.

Banking institutions generally may submit tenders for account of customers provided the names of the customers are set forth in such tenders. Others than banking institutions will not be permitted to submit tenders except for their own account. Tenders will be received without deposit from incorporated banks and trust companies and from responsible and recognized dealers in investment securities. Tenders from others must be accompanied by payment of 2 percent of the face amount of Treasury bills applied for, unless the tenders are accompanied by an express guaranty of payment by an incorporated bank or trust company.

All bidders are required to agree not to purchase or to sell, or to make any agreements with respect to the purchase or sale or other disposition of any bills of this issue, until after one-thirty p.m., eastern standard time, Wednesday, January 30, 1963.

Immediately after the closing hour, tenders will be opened at the Federal Reserve Banks and branches, following which public announcement will be made by the Treasury Department of the amount and price range of accepted bids. Those submitting tenders will be advised of the acceptance or rejection thereof. The Secretary of the Treasury expressly reserves the right to accept or reject any or all tenders, in whole or in part and his action in any such respect shall be final. Subject to these reservations, noncompetitive tenders for $200,000

or less without stated price from any one bidder will be accepted in full at the average price (in three decimals) of accepted competitive bids. Payment of accepted tenders at the prices offered must be made or completed at the Federal Reserve Bank in cash or other immediately available funds on February 6, 1963.

The income derived from Treasury bills, whether interest or gain from the sale or other disposition of the bills, does not have any exemption, as such, and loss from the sale or other disposition of Treasury bills does not have any special treatment, as such, under the Internal Revenue Code of 1954. The bills are subject to estate, inheritance, gift, or other excise taxes, whether Federal or State, but are exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority. For purposes of taxation the amount of discount at which Treasury bills are originally sold by the United States is considered to be interest. Under sections 454(b) and 1221(5) of the Internal Revenue Code of 1954 the amount of discount at which bills issued hereunder are sold is not considered to accrue until such bills are sold, redeemed, or otherwise disposed of, and such bills are excluded from consideration as capital assets. Accordingly, the owner of Treasury bills (other than life insurance companies) issued hereunder need include in his income tax return only the difference between the price paid for such bills, whether on original issue or on subsequent purchase, and the amount actually received either upon sale or redemption at maturity during the taxable year for which the return is made, as ordinary gain or loss.

Treasury Department Circular No. 418 (current revision) and this notice, prescribe the terms of the Treasury bills and govern the conditions of their issue. Copies of the circular may be obtained from any Federal Reserve Bank or branch.

PRESS RELEASE OF JANUARY 30, 1963

The Treasury Department announced last evening that the tenders for $1,000,000,000, or thereabouts, of tax anticipation series 138-day Treasury bills to be dated February 6, 1963, and to mature June 24, 1963, which were offered on January 22, were opened at the Federal Reserve Banks on January 30.

The details of this issue are as follows:

Total applied for	$2, 061, 518, 000
Total accepted (includes $42,068,000 entered on a noncompetitive basis and accepted in full at the average price shown below)	1, 000, 434, 000
Range of accepted competitive bids:	
High, equivalent rate of discount approximately 2.893% per annum	98. 891
Low, equivalent rate of discount approximately 2.940% per annum	98. 873
Average, equivalent rate of discount approximately 2.929% per annum [1]	98. 877
(58 percent of the amount bid for at the low price was accepted.)	

[1] On a coupon issue of the same length and for the same amount invested, the return on these bills would provide a yield of 3.00 percent. Interest rates on bills are quoted in terms of bank discount with the return related to the face amount of the bills payable at maturity rather than the amount invested and their length in actual number of days related to a 360-day year. In contrast, yields on certificates, notes, and bonds are computed in terms of interest on the amount invested, and relate the number of days remaining in an interest payment period to the actual number of days in the period, with semiannual compounding if more than one coupon period is involved.

Federal Reserve district	Total applied for	Total accepted
Boston	$27, 370, 000	$18, 530, 000
New York	1, 652, 659, 000	823, 825, 000
Philadelphia	23, 405, 000	1, 405, 000
Cleveland	20, 101, 000	4, 101, 000
Richmond	2, 202, 000	2, 202, 000
Atlanta	15, 927, 000	12, 927, 000
Chicago	159, 127, 000	68, 977, 000
St. Louis	12, 485, 000	6, 485, 000
Minneapolis	19, 832, 000	7, 572, 000
Kansas City	15, 420, 000	4, 920, 000
Dallas	24, 300, 000	9, 040, 000
San Francisco	88, 690, 000	40, 450, 000
Total	2, 061, 518, 000	1, 000, 434, 000

707-484—64——17

PRESS RELEASE OF JULY 2, 1962

The Treasury Department, by this public notice, invites tenders for $2,000,000,000, or thereabouts, of 365-day Treasury bills, for cash and in exchange for Treasury bills maturing July 15, 1962, in the amount of $2,003,516,000, to be issued on a discount basis under competitive and noncompetitive bidding as hereinafter provided. The bills of this series will be dated July 15, 1962, and will mature July 15, 1963, when the face amount will be payable without interest. They will be issued in bearer form only, and in denominations of $1,000, $5,000, $10,000, $50,000, $100,000, $500,000, and $1,000,000 (maturity value).

Tenders will be received at Federal Reserve Banks and branches up to the closing hour, one-thirty p.m., eastern daylight saving time, Tuesday, July 10, 1962. Tenders will not be received at the Treasury Department, Washington. Each tender must be for an even multiple of $1,000, and in the case of competitive tenders the price offered must be expressed on the basis of 100, with not more than three decimals, e.g., 99.925. Fractions may not be used. (Notwithstanding the fact that these bills will run for 365 days, the discount rate will be computed on a bank discount basis of 360 days, as is currently the practice on all issues of Treasury bills.) It is urged that tenders be made on the printed forms and forwarded in the special envelopes which will be supplied by Federal Reserve Banks or branches on application therefor.

Banking institutions generally may submit tenders for account of customers provided the names of the customers are set forth in such tenders. Others than banking institutions will not be permitted to submit tenders except for their own account. Tenders will be received without deposit from incorporated banks and trust companies and from responsible and recognized dealers in investment securities. Tenders from others must be accompanied by payment of 2 percent of the face amount of Treasury bills applied for, unless the tenders are accompanied by an express guaranty of payment by an incorporated bank or trust company.

Immediately after the closing hour, tenders will be opened at the Federal Reserve Banks and branches, following which public annoucement will be made by the Treasury Department of the amount and price range of accepted bids. Those submitting tenders will be advised of the acceptance or rejection thereof. The Secretary of the Treasury expressly reserves the right to accept or reject any or all tenders, in whole or in part, and his action in any such respect shall be final. Subject to these reservations, noncompetitive tenders for $400,000 or less without stated price from any one bidder will be accepted in full at the average price (in three decimals) of accepted competitive bids. Settlement for accepted tenders in accordance with the bids must be made or completed at the Federal Reserve Bank on July 16, 1962, in cash or other immediately available funds or in a like face amount of Treasury bills maturing July 15, 1962. Cash and exchange tenders will receive equal treatment. Cash adjustments will be made for differences between the par value of maturing bills accepted in exchange and the issue price of the new bills.

The income derived from Treasury bills, whether interest or gain from the sale or other disposition of the bills, does not have any exemption, as such, and loss from the sale or other disposition of Treasury bills does not have any special treatment, as such, under the Internal Revenue Code of 1954. The bills are subject to estate, inheritance, gift, or other excise taxes, whether Federal or State, but are exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority. For purposes of taxation the amount of discount at which Treasury bills are originally sold by the United States is considered to be interest. Under sections 454(b) and 1221(5) of the Internal Revenue Code of 1954 the amount of discount at which bills issued hereunder are sold is not considered to accrue until such bills are sold, redeemed, or otherwise disposed of, and such bills are excluded from consideration as capital assets. Accordingly, the owner of Treasury bills (other than life insurance companies) issued hereunder need include in his income tax return only the difference between the price paid for such bills, whether on original issue or on subsequent purchase, and the amount actually received either upon sale or redemption at maturity during the taxable year for which the return is made, as ordinary gain or loss.

Treasury Department Circular No. 418 (current revision) and this notice, prescribe the terms of the Treasury bills and govern the conditions of their issue. Copies of the circular may be obtained from any Federal Reserve Bank or branch.

PRESS RELEASE OF JULY 10, 1962

The Treasury Department announced last evening that the tenders for $2,000,000,000, or thereabouts, of 365-day Treasury bills to be dated July 15, 1962, and to mature July 15, 1963, which were offered on July 2, were opened at the Federal Reserve Banks on July 10.

The details of this issue are as follows:

Total applied for	$3, 719, 072, 000
Total accepted (includes $221,574,000 entered on a non-competitive basis and accepted in full at the average price shown below)	2, 000, 393, 000
Range of accepted competitive bids: (Excepting five tenders totaling $2, 675, 000).	
High, equivalent rate of discount approximately 3.225% per annum	96. 730
Low, equivalent rate of discount approximately 3.273% per annum	96. 682
Average, equivalent rate of discount approximately 3.257% per annum[1]	96. 698
(85 percent of the amount bid for at the low price was accepted.)	

[1] On a coupon issue of the same length and for the same amount invested, the return on these bills would provide a yield of 3.39 percent. Interest rates on bills are quoted in terms of bank discount with the return related to the face amount of the bills payable at maturity rather than the amount invested and their length in actual number of days related to a 360-day year. In contrast, yields on certificates, notes, and bonds are computed in terms of interest on the amount invested, and relate the number of days remaining in an interest payment period to the actual number of days in the period, with semiannual compounding if more than one coupon period is involved.

Federal Reserve district	Total applied for	Total accepted
Boston	$100, 927, 000	$65, 427, 000
New York	2, 456, 472, 000	1, 198, 397, 000
Philadelphia	43, 605, 000	14, 305, 000
Cleveland	221, 738, 000	163, 238, 000
Richmond	22, 610, 000	16, 010, 000
Atlanta	42, 710, 000	35, 310, 000
Chicago	524, 386, 000	355, 636, 000
St. Louis	22, 838, 000	16, 834, 000
Minneapolis	31, 885, 000	5, 885, 000
Kansas City	49, 782, 000	34, 782, 000
Dallas	38, 668, 000	26, 518, 000
San Francisco	163, 451, 000	68, 051, 000
Total	3, 719, 072, 000	2, 000, 393, 000

PRESS RELEASE OF AUGUST 28, 1962

Yesterday's regular weekly Treasury bill auction was marked by the unusual occurrence of a single bidder tendering for an exceptionally high proportion of the total amount of 3-month bills offered. In view of the disproportionate allotment that would have occurred and the resulting market disturbance, the Secretary of the Treasury decided to invoke the right that he expressly reserves in every public offering of Treasury securities to reject any or all tenders, in whole or in part. Under these circumstances, he has announced that no single bidder will be awarded more than one quarter of the total supply of bills offered in either the 3-month or 6-month maturities.

Summary of information pertaining to Treasury bills issued during the fiscal year 1963

[Dollar amounts in thousands]

Date of issue	Date of maturity	Days to maturity[1]	Maturity value						Prices and rates						Amount maturing on issue date of new offering
			Total applied for	Tenders accepted					Total bids accepted		Competitive bids accepted				
				Total accepted	On competitive basis	On noncompetitive basis	For cash	In exchange	Average price per hundred	Equivalent average rate (percent)	High		Low		
											Price per hundred	Equivalent rate (percent)	Price per hundred	Equivalent rate (percent)	
Regular Weekly															
1962															
July 5	Oct. 4, 1962	91	$2,211,823	$1,300,530	$1,107,122	$193,408	$1,127,764	$172,766	99.259	2.930	[2] 99.269	2.892	99.257	2.939	$1,200,638
	Jan. 3, 1963	182	1,202,417	700,181	659,581	40,600	645,098	55,083	98.479	3.008	98.494	2.979	98.464	3.038	600,464
12	Oct. 11, 1962	91	2,365,008	1,301,363	1,037,520	263,843	1,287,935	13,428	99.248	2.974	99.258	2.935	99.245	2.987	1,200,273
12	Jan. 10, 1963	182	1,126,394	700,094	648,379	51,715	698,139	1,955	98.435	3.096	98.454	3.058	98.425	3.115	599,939
19	Oct. 18, 1962	91	2,454,084	1,302,465	1,002,080	300,385	1,216,690	85,775	99.246	2.983	99.260	2.927	99.244	2.991	1,200,982
19	Jan. 17, 1963	182	1,067,573	700,058	633,940	66,118	674,981	25,077	98.416	3.134	[2] 98.431	3.104	98.407	3.151	600,454
26	Oct. 25, 1962	91	2,127,134	1,298,098	1,060,002	238,096	1,209,111	88,987	99.269	2.892	99.273	2.876	99.265	2.908	1,200,752
26	Jan. 24, 1963	182	1,361,557	702,835	645,893	56,942	670,249	32,586	98.431	3.103	[2] 98.440	3.086	98.426	3.113	600,021
Aug. 2	Nov. 1, 1962	91	2,161,090	1,300,687	1,075,884	224,803	1,184,934	115,753	99.274	2.874	99.279	2.852	99.271	2.884	1,201,600
2	Jan. 31, 1963	182	1,575,560	700,229	645,892	54,337	638,845	61,384	98.446	3.075	98.458	3.050	98.444	3.078	600,310
9	Nov. 8, 1962	91	1,971,875	1,300,901	1,083,791	217,110	1,172,790	128,111	99.292	2.801	99.304	2.753	99.282	2.840	1,204,210
9	Feb. 7, 1963	182	1,202,587	700,352	650,292	50,060	637,581	62,771	98.489	2.990	[2] 98.496	2.975	98.474	3.018	600,080
16	Nov. 15, 1962	91	2,078,302	1,300,652	1,055,169	245,483	1,258,490	42,162	99.275	2.867	[2] 99.283	2.836	99.271	2.884	1,200,403
16	Feb. 14, 1963	182	1,765,901	703,844	642,266	61,578	681,527	22,317	98.453	3.060	[2] 98.471	3.024	98.452	3.062	600,423
23	Nov. 23, 1962	92	2,003,064	1,300,806	1,072,454	228,352	1,202,940	97,866	99.275	2.837	[2] 99.278	2.825	99.271	2.853	1,300,412
23	Feb. 21, 1963	182	1,651,071	699,743	639,534	60,209	646,137	53,606	98.491	2.984	98.498	2.971	98.488	2.991	600,937
30	Nov. 29, 1962	91	2,247,662	1,300,839	1,092,381	208,458	1,218,463	82,376	99.291	2.806	99.296	2.785	99.288	2.817	1,301,155
30	Feb. 28, 1963	182	1,259,495	700,150	649,770	50,380	657,892	42,258	98.526	2.916	98.534	2.900	98.523	2.922	600,231
Sept. 6	Dec. 6, 1962	91	2,054,192	1,301,392	1,095,925	205,467	1,223,286	78,106	99.284	2.834	99.291	2.805	99.279	2.852	1,301,003
6	Mar. 7, 1963	182	1,332,153	700,303	652,200	48,103	657,232	43,071	98.495	2.977	[2] 98.505	2.957	98.491	2.985	600,851
13	Dec. 13, 1962	91	2,377,161	1,300,907	1,028,964	271,943	1,285,714	15,193	99.295	2.789	99.298	2.777	99.292	2.801	1,300,405
13	Mar. 14, 1963	182	1,290,537	700,587	630,295	70,292	696,964	3,623	98.528	2.911	98.538	2.892	98.521	2.925	600,291
20	Dec. 20, 1962	91	2,264,810	1,301,202	1,016,779	284,423	1,097,170	204,032	99.293	2.796	99.300	2.769	99.292	2.801	1,300,743
20	Mar. 21, 1963	182	1,375,198	700,445	621,951	78,494	646,936	53,509	98.503	2.962	[2] 98.509	2.949	98.498	2.971	600,081
27	Dec. 27, 1962	91	2,150,382	1,300,422	1,060,073	240,349	1,234,674	65,748	99.305	2.749	99.310	2.730	99.302	2.761	1,300,482
27	Mar. 28, 1963	182	1,777,239	700,115	639,479	60,636	656,782	43,333	98.515	2.938	98.518	2.931	98.514	2.939	600,230

	1963														
Oct. 4	Jan. 3	91	2,010,655	1,300,455	1,089,603	210,852	1,143,521	156,934	99.304	2.752	99.310	2.730	99.300	2.769	1,300,530
4	Apr. 4	182	1,505,266	701,063	643,362	57,701	647,626	53,437	98.533	2.902	98.537	2.894	98.530	2.908	600,567
11	Jan. 10	91	2,135,735	1,301,360	1,022,055	279,305	1,207,119	94,241	99.302	2.760	99.308	2.738	99.300	2.769	1,301,363
11	Apr. 11	182	1,630,584	700,610	631,191	69,419	686,303	14,307	98.552	2.864	98.560	2.848	98.550	2.868	600,202
18	Jan. 17	91	2,224,508	1,300,331	1,007,476	292,855	1,281,442	18,889	99.305	2.749	99.310	2.730	99.303	2.757	1,302,465
18	Apr. 18	182	1,436,426	700,038	623,353	76,685	695,422	4,616	98.563	2.843	98.570	2.829	98.562	2.844	600,309
25	Jan. 24	91	2,133,036	1,300,534	1,044,727	255,807	1,178,668	121,866	99.307	2.742	99.312	2.722	99.305	2.749	1,289,098
25	Apr. 25	182	1,394,070	700,279	633,290	66,989	696,819	3,460	98.570	2.828	[2] 98.576	2.817	98.568	2.833	600,408
Nov. 1	Jan. 31	91	2,206,922	1,301,118	1,064,655	236,463	1,206,115	95,003	99.321	2.686	99.325	2.670	99.318	2.698	1,300,687
1	May 2	182	1,572,583	700,787	643,504	57,283	657,819	42,968	98.597	2.775	98.601	2.767	98.596	2.777	600,048
8	Feb. 7	91	2,249,249	1,300,942	1,066,351	234,591	1,162,726	138,216	99.282	2.841	[2] 99.287	2.821	99.279	2.852	1,300,901
8	May 9	182	1,760,714	702,298	644,646	57,652	659,595	42,703	98.520	2.927	[2] 98.526	2.916	98.519	2.929	601,639
	Jan. 17	63													
	Jan. 24	70													
	Jan. 31	77													
	Feb. 7	84													
[3] 15	Feb. 14	91	2,410,060	1,001,310	988,050	13,260	1,001,310	----------	99.248	2.866	99.258	2.827	99.245	2.876	----------
	Feb. 21	98													
	Feb. 28	105													
	Mar. 7	112													
	Mar. 14	119													
	Mar. 21	126													
15	Feb. 14	91	2,324,723	1,302,307	1,062,201	240,106	1,228,507	73,800	99.292	2.801	99.295	2.789	99.290	2.809	1,300,652
15	May 16	182	1,435,686	701,326	638,817	62,509	678,574	22,752	98.561	2.846	98.570	2.829	98.559	2.850	600,140
23	Feb. 21	90	2,409,216	1,300,096	1,030,837	269,259	1,182,951	117,145	99.292	2.833	99.297	2.812	99.290	2.840	1,300,806
23	May 23	181	1,273,774	799,994	736,043	63,951	746,544	53,450	98.546	2.892	[2] 98.552	2.880	98.539	2.906	600,316
29	Feb. 28	91	2,042,386	1,300,386	1,075,779	224,607	1,202,877	97,509	99.279	2.853	99.292	2.801	99.276	2.864	1,300,839
29	May 31	183	1,528,444	800,744	750,911	49,833	768,634	32,110	98.508	2.936	[2] 98.518	2.915	98.502	2.947	601,324
Dec. 6	Mar. 7	91	2,108,013	1,300,313	1,070,236	230,077	1,224,052	76,261	99.277	2.861	99.281	2.844	99.274	2.872	1,301,392
6	June 6	182	1,663,124	800,865	749,336	51,529	778,102	22,763	98.511	2.945	98.520	2.927	98.509	2.949	701,967
13	Mar. 14	91	1,973,007	1,300,707	1,038,163	262,544	1,245,862	54,845	99.290	2.807	99.299	2.773	99.286	2.825	1,300,907
13	June 13	182	1,320,556	800,996	736,692	64,304	786,580	14,416	98.554	2.861	98.562	2.844	98.548	2.872	700,118
20	Mar. 21	91	2,091,613	1,301,005	1,021,097	279,908	1,163,071	137,934	99.277	2.860	[2] 99.281	2.844	99.274	2.872	1,301,202
20	June 20	182	1,248,269	799,979	737,519	62,460	742,231	57,748	98.534	2.900	[2] 98.544	2.880	98.530	2.908	700,552
27	Mar. 28	91	2,659,736	1,309,071	1,086,878	222,193	1,244,886	64,185	99.269	2.893	99.275	2.868	99.268	2.896	1,300,422
27	June 27	182	1,321,583	801,567	749,027	52,540	777,566	24,001	98.522	2.924	[2] 98.530	2.908	98.517	2.933	700,197
1963															
Jan. 3	Apr. 4	91	2,220,022	1,301,055	1,092,118	208,937	1,167,704	133,351	99.260	2.926	99.270	2.888	99.259	2.931	1,300,455
3	July 5	183	1,339,507	800,502	759,266	41,236	747,185	53,317	98.492	2.966	98.506	2.939	98.488	2.974	700,181
10	Apr. 11	91	2,196,256	1,300,877	1,006,920	293,957	1,187,181	113,696	99.262	2.920	[2] 99.267	2.900	99.259	2.931	1,301,360
10	July 11	182	1,541,616	800,450	736,632	63,818	777,669	22,781	98.501	2.966	98.508	2.951	98.496	2.975	700,094
17	Apr. 18	91	2,363,131	1,301,077	969,145	331,932	1,218,139	82,938	99.271	2.884	99.275	2.868	99.270	2.888	1,300,331
17	July 18	182	1,250,038	800,045	729,311	70,734	785,833	14,212	98.518	2.932	98.528	2.912	98.513	2.932	[4] 700,058
24	Apr. 25	91	2,253,525	1,302,094	1,038,234	263,860	1,166,894	135,200	99.261	2.923	99.271	2.884	99.260	2.927	1,300,534
24	July 25	182	1,352,808	800,263	739,498	60,765	749,769	50,494	98.496	2.976	98.518	2.931	98.493	2.981	[4] 702,835
31	May 2	91	2,035,425	1,300,475	1,067,078	233,397	1,218,273	82,202	99.263	2.917	99.267	2.900	99.260	2.927	1,301,118
31	Aug. 1	182	1,197,214	799,994	751,192	48,802	778,504	21,490	98.498	2.972	98.507	2.953	98.489	2.989	[4] 700,229

Footnotes at end of table.

Summary of information pertaining to Treasury bills issued during the fiscal year 1963—Continued

[Dollar amounts in thousands]

Date of issue	Date of maturity	Days to maturity [1]	Maturity value						Prices and rates						Amount maturing on issue date of new offering
			Total applied for	Tenders accepted					Total bids accepted		Competitive bids accepted				
											High		Low		
				Total accepted	On competitive basis	On noncompetitive basis	For cash	In exchange	Average price per hundred	Equivalent average rate (percent)	Price per hundred	Equivalent rate (percent)	Price per hundred	Equivalent rate (percent)	
Regular Weekly—Continued															
1963	*1963*														
Feb. 7	May 9	91	$1,911,723	$1,300,787	$1,066,970	$233,817	$1,198,531	$102,256	99.255	2.947	99.266	2.904	99.251	2.963	$1,300,942
7	Aug. 8	182	1,338,156	799,156	747,658	51,498	755,939	43,217	98.486	2.995	98.500	2.967	98.481	3.005	[4] 700,352
14	May 16	91	2,426,733	1,303,318	1,033,388	269,930	1,250,389	52,929	99.256	2.944	99.262	2.920	99.255	2.947	1,302,307
14	Aug. 15	182	1,270,278	800,035	741,262	58,773	777,086	22,949	98.486	2.995	98.492	2.983	98.482	3.003	[4] 703,844
21	May 23	91	2,343,878	1,300,254	1,051,103	249,151	1,173,683	126,571	99.266	2.905	99.270	2.888	99.264	2.912	1,300,096
21	Aug. 22	182	1,496,420	800,397	746,584	53,813	757,974	42,423	98.499	2.969	[2] 98.506	2.955	98.494	2.979	[4] 699,743
28	May 31	92	1,956,072	1,300,116	1,087,480	212,636	1,178,530	121,586	99.267	2.870	99.276	2.833	99.262	2.888	1,300,386
28	Aug. 29	182	1,207,523	800,153	753,953	46,200	755,049	45,104	98.523	2.922	98.530	2.908	98.514	2.939	[4] 700,150
Mar. 7	June 6	91	1,980,959	1,301,346	1,069,946	231,400	1,179,010	122,336	99.268	2.897	[2] 99.274	2.872	99.264	2.912	1,300,313
7	Sept. 5	182	1,406,838	800,547	751,120	49,427	741,036	59,511	98.515	2.938	98.522	2.924	98.510	2.947	[4] 700,303
14	June 13	91	2,042,052	1,300,377	1,034,053	266,324	1,196,852	103,525	99.275	2.870	99.280	2.848	99.270	2.888	1,300,707
14	Sept. 12	182	1,428,657	800,265	743,146	57,119	781,645	18,620	98.518	2.931	98.526	2.916	98.513	2.941	[4] 700,587
21	June 20	91	2,335,879	1,301,314	1,018,999	282,315	1,125,683	175,631	99.266	2.902	[2] 99.275	2.868	99.265	2.908	1,301,005
21	Sept. 19	182	1,305,439	800,595	736,479	64,116	746,246	54,349	98.506	2.955	[2] 98.513	2.941	98.502	2.963	[4] 700,445
28	June 27	91	2,132,535	1,300,849	1,053,888	246,961	1,153,563	147,286	99.262	2.919	99.270	2.888	99.260	2.927	1,309,071
28	Sept. 26	182	1,458,712	800,046	749,646	50,400	746,091	53,955	98.495	2.977	[2] 98.502	2.963	98.492	2.983	700,115
Apr. 4	July 5	92	2,080,876	1,300,470	1,077,966	222,504	1,174,762	125,708	99.253	2.922	99.265	2.876	99.251	2.931	1,301,055
4	Oct. 3	182	1,454,124	800,033	746,346	53,687	756,386	43,647	98.492	2.982	98.498	2.971	98.489	2.989	701,063
11	July 11	91	2,292,009	1,302,008	1,031,714	270,294	1,165,627	136,381	99.264	2.913	99.267	2.900	99.263	2.916	1,300,877
11	Oct. 10	182	1,553,177	801,369	741,193	60,176	748,066	53,303	98.495	2.978	98.500	2.967	98.493	2.981	700,610
18	July 18	91	2,351,566	1,300,736	991,323	309,413	1,284,209	16,527	99.263	2.917	99.266	2.904	99.261	2.924	1,301,077
18	Oct. 17	182	1,484,964	800,442	732,603	67,839	796,505	3,937	98.478	3.010	[2] 98.484	2.999	98.476	3.015	700,038
25	July 25	91	2,258,555	1,300,237	1,057,123	243,114	1,206,898	93,339	99.271	2.884	99.275	2.868	99.270	2.888	1,302,094
25	Oct. 24	182	1,670,359	801,100	739,177	61,923	767,734	33,366	98.492	2.982	[2] 98.496	2.975	98.491	2.985	700,279
May 2	Aug. 1	91	2,054,396	1,301,685	1,083,337	218,348	1,208,990	92,695	99.268	2.897	99.274	2.872	99.266	2.904	1,300,475
2	Oct. 31	182	1,667,689	800,950	743,485	57,465	769,481	31,469	98.480	2.989	[2] 98.494	2.979	98.488	2.991	700,787
9	Aug. 8	91	2,119,270	1,300,975	1,078,897	222,078	1,150,106	150,869	99.266	2.905	99.270	2.888	99.264	2.912	1,300,787
9	Nov. 7	182	1,714,600	801,786	747,081	54,705	743,576	58,210	98.487	2.993	98.496	2.975	98.485	2.997	702,298

16	Aug. 15	91	2,397,233	1,301,508	1,054,599	246,909	1,288,147	13,361	99.266	2.903	99.270	2.888	99.265	2.908	1,303,318
16	Nov. 14	182	1,583,305	800,667	732,058	68,609	796,260	4,407	98.488	2.990	98.494	2.979	98.487	2.993	701,326
23	Aug. 22	91	2,179,620	1,301,692	1,079,869	221,823	1,159,986	141,706	99.261	2.922	99.270	2.888	99.260	2.927	1,300,254
23	Nov. 21	182	1,472,523	800,428	742,071	58,357	736,362	64,066	98.481	3.005	98.490	2.987	98.478	3.011	799,994
31	Aug. 29	90	2,034,199	1,302,377	1,109,293	193,084	1,144,934	157,443	99.257	2.973	[2] 99.260	2.960	99.255	2.980	1,300,116
31	Nov. 29	182	1,411,162	801,296	752,145	49,151	798,506	2,790	98.455	3.055	98.462	3.042	98.455	3.055	800,744
June 6	Sept. 5	91	2,188,017	1,302,566	1,089,682	212,884	1,165,286	137,280	99.235	3.027	[2] 99.238	3.015	99.233	3.034	1,301,346
6	Dec. 5	182	1,551,800	800,219	749,290	50,929	747,318	52,901	98.434	3.098	[2] 98.438	3.090	98.431	3.104	800,865
13	Sept. 12	91	2,123,489	1,300,264	1,056,218	244,046	1,285,987	14,277	99.248	2.975	99.254	2.951	99.245	2.987	1,300,377
13	Dec. 12	182	1,475,621	800,929	743,461	57,468	797,543	3,386	98.452	3.063	98.458	3.050	98.448	3.070	800,996
20	Sept. 19	91	2,304,350	1,301,702	1,058,151	243,551	1,100,040	201,662	99.242	2.997	[2] 99.245	2.987	99.241	3.003	1,301,314
20	Dec. 19	182	1,364,904	800,700	739,604	61,096	735,252	65,448	98.442	3.081	98.452	3.062	98.440	3.086	799,979
27	Sept. 26	91	1,912,450	1,301,835	1,056,872	244,963	1,172,520	129,315	99.247	2.979	99.252	2.959	99.244	2.991	1,300,849
27	Dec. 26	182	1,440,997	798,837	741,095	57,742	754,346	44,491	98.448	3.070	98.452	3.062	98.446	3.074	801,567
Tax Anticipation															
1962	*1963*														
Oct. 3	Mar. 22	170	$5,945,771	$3,005,221	$2,440,445	$564,776	$3,005,221	----------	98.765	2.616	[2] 98.820	2.499	98.757	2.632	----------
1963															
Feb. 6	June 24	138	2,061,768	1,000,684	958,366	42,318	1,000,684	----------	98.877	2.929	98.891	2.893	98.873	2.940	----------
Mar. 22	June 24	94	2,442,188	1,502,258	1,454,959	47,299	1,502,258	----------	99.254	2.855	99.261	2.830	99.251	2.869	----------
One-Year															
1962	*1963*														
July 15	July 15	365	$3,722,270	$2,003,591	$1,778,919	$224,672	$1,987,341	$16,250	96.698	3.257	[2] 96.730	3.225	96.682	3.273	$2,003,516
Oct. 15	Oct. 15	365	4,534,991	2,500,103	2,315,051	185,052	2,310,069	190,034	96.989	2.969	[2] 97.019	2.940	96.980	2.979	2,003,463
1963	*1964*														
Jan. 15	Jan. 15	365	5,244,361	2,496,151	2,252,941	243,210	2,457,503	38,648	96.943	3.015	[2] 96.958	3.000	96.938	3.020	2,001,255
Apr. 15	Apr. 15	366	4,047,588	2,500,763	2,310,022	190,741	2,416,618	84,145	96.887	3.062	[2] 96.899	3.050	96.881	3.068	2,000,754

[1] The 13-week bills represent additional issues of bills with an original maturity of 26 weeks.

[2] Relatively small amounts of bids were accepted at a price somewhat above the high shown. However, the higher price is not shown in order to prevent an appreciable discontinuity in the range (covered by the high to low prices shown) which would make it misrepresentative.

[3] An additional $100 million each of 10 series of weekly bills issued in a strip for cash (see press releases dated Nov. 1 and Nov. 7, 1962, in this exhibit).

[4] In addition, $100,131,000 of the strip of bills issued on Nov. 15, 1962, matured.

NOTE.—The usual timing with respect to issues of Treasury bills is: Press release inviting tenders, 8 days before date of issue; closing date on which tenders are accepted, 3 days before date of issue; and press release announcing acceptance of tenders, 2 days before date of issue. Figures are final and may differ from those shown in the press release announcing preliminary results of an offering.

Noncompetitive tenders (without stated price) from any one bidder were accepted in full at the average price for accepted competitive bids for each issue up to the following amounts: 13-week issues, $200,000; 26-week issues, $100,000; strip of bills, $100,000 (in even multiples of $10,000); tax anticipation series of Oct. 3, 1962, $400,000, tax anticipation series issued on Feb. 6 and Mar. 22, 1963, $200,000; and one-year issues, $400,000.

All equivalent rates of discount shown are on a bank-discount basis.

Qualified depositaries were permitted to make payment by credit in Treasury tax and loan accounts for Treasury bills of the tax anticipation series dated Oct. 3, 1962, allotted to them for themselves and their customers up to any amount for which they were qualified in excess of existing deposits when so notified by the Federal Reserve Bank of their district.

Guaranteed Obligations Called

Exhibit 6.—Calls for partial redemption, before maturity, of insurance fund debentures

During the fiscal year 1963, there were 16 calls for partial redemption, before maturity, of insurance fund debentures, 8 dated September 21, 1962, and the others dated March 21, 1963. The notices of call were published in the *Federal Registers* of September 28, 1962, and March 29, 1963. The notice covering the thirteenth call of the 2½, 2⅝, 2¾, 2⅞, 3, 3⅛, 3¼, 3⅜, 3½, 3¾, 3⅞, and 4⅛ percent Series AA mutual mortgage insurance fund debentures is shown in this exhibit. Since the other notices of call are similar to this exhibit, they have been omitted but the essential details are summarized in the table following the notice of call.

NOTICE OF CALL. FEDERAL REGISTER OF SEPTEMBER 28, 1962

To Holders of 2½; 2⅝; 2¾; 2⅞; 3; 3⅛; 3¼; 3⅜; 3½; 3¾; 3⅞; and 4⅛ Percent Mutual Mortgage Insurance Fund Debentures, Series AA:

NOTICE OF CALL FOR PARTIAL REDEMPTION, BEFORE MATURITY, OF 2½, 2⅝, 2¾, 2⅞, 3, 3⅛, 3¼, 3⅜, 3½, 3¾, 3⅞, AND 4⅛ PERCENT MUTUAL MORTGAGE INSURANCE FUND DEBENTURES, SERIES AA

Pursuant to the authority conferred by the National Housing Act (48 Stat. 1246; U.S.C., title 12, sec. 1701 et seq.) as amended, public notice is hereby given that mutual mortgage insurance fund debentures, Series AA, of the interest rates, denominations and serial numbers designated below, are hereby called for redemption, at par and accrued interest, on January 1, 1963, on which date interest on such debentures shall cease:

2½, 2⅝, 2¾, 2⅞, 3, 3⅛, 3¼, 3⅜, 3½, 3¾, 3⅞, and 4⅛ Percent Mutual Mortgage Insurance Fund Debentures, Series AA

Denomination	*Serial numbers (all numbers inclusive)*
$50	12,875 to 13,306
100	49,511 to 56,397 56,399 to 56,509
500	13,330 to 13,331 13,333 to 15,091 15,115 to 15,137
1,000	40,087 to 46,293
5,000	11,702 to 13,362 13,368 to 13,369
10,000	8,066 to 9,030 9,037

The debentures first issued as determined by the issue dates thereof were selected for redemption by the Commissioner, Federal Housing Administration, with the approval of the Secretary of the Treasury.

No transfers or denominational exchanges in debentures covered by the foregoing call will be made on the books maintained by the Treasury Department on or after October 1, 1962. This does not affect the right of the holder of a debenture to sell and assign the debenture on or after October 1, 1962, and provision will be made for the payment of final interest due on January 1, 1963, with principal thereof to the actual owner, as shown by the assignments thereon.

The Commissioner of the Federal Housing Administration hereby offers to purchase any debentures included in this call at any time from October 1, 1962, to December 31, 1962, inclusive, at par and accrued interest, to date of purchase.

Instructions for the presentation and surrender of debentures for redemption on or after January 1, 1963, or for purchase prior to that date will be given by the Secretary of the Treasury.

APPROVED: *September 24, 1962*
George F. Stickney,
Deputy Fiscal Assistant Secretary of the Treasury.

Neal J. Hardy,
Commissioner.

Summary of information contained in the notices of call for partial redemption of insurance fund debentures during the fiscal year 1963

	2½, 2⅝, 2¾, 2⅞, 3, 3⅛, 3¼, 3⅜, 3½, 3¾, 3⅞, and 4⅛ percent mutual mortgage insurance fund debentures, Series AA, thirteenth call	2½, 2⅝, 2¾, 2⅞, 3, 3⅛, 3¼, 3⅜, 3½, 3¾, 3⅞, and 4⅛ percent mutual mortgage insurance fund debentures, Series AA, fourteenth call	3⅛ and 4⅛ percent housing insurance fund debentures, Series BB, ninth call	3¼, 3½, 3¾, and 4⅛ percent section 220, housing insurance fund debentures, Series CC, third call
Notice of call	Sept. 21, 1962	Mar. 21, 1963	Sept. 21, 1962	Sept. 21, 1962.
Redemption date	Jan. 1, 1963	July 1, 1963	Jan. 1, 1963	Jan. 1, 1963.
Serial numbers called by denominations:				
$50	12875–13306	13307–13919		9–10.
100	49511–56397, 56399–56509	56398, 56510–63516, 63850–63853, 64044.		36–63.
500	13330–13331, 13333–15091, 15115–15137.	15092–15114, 15138–16878, 16981		12–20.
1,000	40087–46293	46294–52259, 53325		36–66.
5,000	11702–13362, 13368–13369	13363–13367, 13370–15041, 15288		3–16.
10,000	8066–9030, 9037	9031–9036, 9038–9962	3000–3103	
Final date for transfers or denominational exchanges (but not for sale or assignment).	Sept. 30, 1962	Mar. 31, 1963	Sept. 30, 1962	Sept. 30, 1962.
Redemption on call date, amount of interest per $1,000 paid in full with principal.	$12.50 for 2½%, $13.125 for 2⅝%, $13.75 for 2¾%, $14.375 for 2⅞%, $15.00 for 3%, $15.625 for 3⅛%, $16.25 for 3¼%, $16.875 for 3⅜%, $17.50 for 3½%, $18.75 for 3¾%, $19.375 for 3⅞%, $20.625 for 4⅛%.	$12.50 for 2½%, $13.125 for 2⅝%, $13.75 for 2¾%, $14.375 for 2⅞%, $15.00 for 3%, $15.625 for 3⅛%, $16.25 for 3¼%, $16.875 for 3⅜%, $17.50 for 3½%, $18.75 for 3¾%, $19.375 for 3⅞%, $20.625 for 4⅛%.	$15.625 for 3⅛%, $20.625 for 4⅛%.	$16.25 for 3¼%, $17.50 for 3½%, $18.75 for 3¾%, $20.625 for 4⅛%.
Presentation for purchase prior to call date:				
Period	Oct. 1–Dec. 31, 1962	Apr. 1–June 30, 1963	Oct. 1–Dec. 31, 1962	Oct. 1–Dec. 31, 1962.
Amount of accrued interest per $1,000 per day paid with principal.	$0.067935 for 2½%, $0.071332 for 2⅝%, $0.074728 for 2¾%, $0.078125 for 2⅞%, $0.081522 for 3%, $0.084918 for 3⅛%, $0.088315 for 3¼%, $0.091712 for 3⅜%, $0.095109 for 3½%, $0.101902 for 3¾%, $0.105299 for 3⅞%, $0.112092 for 4⅛%, from July 1, 1962, to date of purchase.	$0.069061 for 2½%, $0.072514 for 2⅝%, $0.075967 for 2¾%, $0.079420 for 2⅞%, $0.082873 for 3%, $0.086326 for 3⅛%, $0.089779 for 3¼%, $0.093232 for 3⅜%, $0.096685 for 3½%, $0.103591 for 3¾%, $0.107044 for 3⅞%, $0.113950 for 4⅛%, from Jan. 1, 1963, to date of purchase.	$0.084918 for 3⅛%, $0.112092 for 4⅛%, from July 1, 1962, to date of purchase.	$0.088315 for 3¼%, $0.095109 for 3½%, $0.101902 for 3¾%, $0.112092 for 4⅛%, from July 1, 1962, to date of purchase.

Summary of information contained in the notices of call for partial redemption of insurance fund debentures during the fiscal year 1963—Continued

	3½, 3¾, 4, and 4⅛ percent section 220, housing insurance fund debentures, Series CC, fourth call	2⅝, 2⅞, 3, 3⅛, 3¼, 3⅜, 3½, 3¾, 3⅞, and 4⅛ percent servicemen's mortgage insurance fund debentures, Series EE, tenth call	2⅝, 2⅞, 3, 3⅛, 3¼, 3⅜, 3½, 3¾, 3⅞, and 4⅛ percent servicemen's mortgage insurance fund debentures, Series EE, eleventh call	2½, 2¾, 3⅜, 3½, and 3¾ percent armed services housing mortgage insurance fund debentures, Series FF, sixth call
Notice of call	Mar. 21, 1963	Sept. 21, 1962	Mar. 21, 1963	Mar. 21, 1963.
Redemption date	July 1, 1963	Jan. 1, 1963	July 1, 1963	July 1, 1963.
Serial numbers called by denominations:				
$50	11–14	379–437	438–577	5–39.
100	64–82	2446–2876	2877–4080	33–793.
500	21–27	640–757	758–1068	8–169.
1,000	67–81	2316–2700	2701–3835, 3871	39–652.
5,000	17–20	549–639	640–861	
10,000	220–484	500–561	562–689	1369–2149.
Final date for transfers or denominational exchanges (but not for sale or assignment).	Mar. 31, 1963	Sept. 30, 1962	Mar. 31, 1963	Mar. 31, 1963.
Redemption on call date, amount of interest per $1,000 paid in full with principal.	$17.50 for 3½%, $18.75 for 3¾%, $20.00 for 4%, $20.625 for 4⅛%.	$13.125 for 2⅝%, $14.375 for 2⅞%, $15.00 for 3%, $15.625 for 3⅛%, $16.25 for 3¼%, $16.875 for 3⅜%, $17.50 for 3½%, $18.75 for 3¾%, $19.375 for 3⅞%, $20.625 for 4⅛%.	$13.125 for 2⅝%, $14.375 for 2⅞%, $15.00 for 3%, $15.625 for 3⅛%, $16.25 for 3¼%, $16.875 for 3⅜%, $17.50 for 3½%; $18.75 for 3¾%, $19.375 for 3⅞%, $20.625 for 4⅛%.	$12.50 for 2½%, $13.75 for 2¾%, $16.875 for 3⅜%, $17.50 for 3½%, $18.75 for 3¾%.
Presentation for purchase prior to call date:				
Period	Apr. 1–June 30, 1963	Oct. 1–Dec. 31, 1962	Apr. 1–June 30, 1963	Apr. 1–June 30, 1963.
Amount of accrued interest per $1,000 per day paid with principal.	$0.096685 for 3½%, $0.103591 for 3¾%, $0.110497 for 4%, $0.113950 for 4⅛%, from Jan. 1, 1963, to date of purchase.	$0.071332 for 2⅝%, $0.078125 for 2⅞%, $0.081522 for 3%, $0.084918 for 3⅛%, $0.088315 for 3¼%, $0.091712 for 3⅜%, $0.095109 for 3½%, $0.101902 for 3¾%, $0.105299 for 3⅞%, $0.112092 for 4⅛%, from July 1, 1962, to date of purchase.	$0.072514 for 2⅝%, $0.079420 for 2⅞%, $0.082873 for 3%, $0.086326 for 3⅛%, $0.089779 for 3¼%, $0.093232 for 3⅜%, $0.096685 for 3½%, $0.103591 for 3¾%, $0.107044 for 3⅞% $0.113950 for 4⅛%, from Jan. 1, 1963, to date of purchase.	$0.069061 for 2½%, $0.075967 for 2¾%, $0.93232 for 3⅜%, $0.096685 for 3½%, $0.103591 for 3¾%, from Jan. 1, 1963, to date of purchase.

	2½ percent war housing insurance fund debentures, Series H, twenty-seventh call	2½ percent war housing insurance fund debentures, Series H, twenty-eighth call	2½ percent Title I housing insurance fund debentures, Series L, sixteenth call	2½ percent Title I housing insurance fund debentures, Series L, seventeenth call
Notice of call	Sept. 21, 1962	Mar. 21, 1963	Sept. 21, 1962	Mar. 21, 1963.
Redemption date	Jan. 1, 1963	July 1, 1963	Jan. 1, 1963	July 1, 1963.
Serial numbers called by denominations:				
$50	4749–4823	4824–4858	180–187	188–200.
100	17393–18213	18214–18496	418–443	444–482.
500	4946–5296	5297–5363	169–180	181–185.
1,000	21155–22079	22080–22297	622–643	644–662.
5,000	4926–5115	5116–5158		83.
10,000	47211–49969	49970–50988, 51000		
Final date for transfers or denominational exchanges (but not for sale or assignment).	Sept. 30, 1962	Mar. 31, 1963	Sept. 30, 1962	Mar. 31, 1963.
Redemption on call date, amount of interest per $1,000 paid in full with principal.	$12.50	$12.50	$12.50	$12.50.
Presentation for purchase prior to call date:				
Period	Oct. 1–Dec. 31, 1962	Apr. 1–June 30, 1963	Oct. 1–Dec. 31, 1962	Apr. 1–June 30, 1963.
Amount of accrued interest per $1,000 per day paid with principal.	$0.067935 from July 1, 1962, to date of purchase.	$0.069061 from Jan. 1, 1963, to date of purchase.	$0.067935 from July 1, 1962, to date of purchase.	$0.069061 from Jan. 1, 1963, to date of purchase.

Summary of information contained in the notices of call for partial redemption of insurance fund debentures during the fiscal year 1963—Continued

	2¾ percent Title I housing insurance fund debentures, Series R, fourteenth call	2¾ percent Title I housing insurance fund debentures, Series R, fifteenth call	3 percent Title I housing insurance fund debentures, Series T, thirteenth call	3 percent Title I housing insurance fund debentures, Series T, fourteenth call
Notice of call	Sept. 21, 1962	Mar. 21, 1963	Sept. 21, 1962	Mar. 21, 1963.
Redemption date	Jan. 1, 1963	July 1, 1963	Jan. 1, 1963	July 1, 1963.
Serial numbers called by denominations:				
$50	511–533	534–545	495–507	508–540.
100	1135–1273	1274–1328	1631–1688	1689–1956.
500	274–305	306–328	562–571	572–620.
1,000	478–637	638–687	1028–1085	1086–1392.
5,000			394–395	
Final date for transfers or denominational exchanges (but not for sale or assignment).	Sept. 30, 1962	Mar. 31, 1963	Sept. 30, 1962	Mar. 31, 1963.
Redemption on call date, amount of interest per $1,000 paid in full with principal.	$13.75	$13.75	$15.00	$15.00.
Presentation for purchase prior to call date:				
Period	Oct. 1–Dec. 31, 1962	Apr. 1–June 30, 1963	Oct. 1–Dec. 31, 1962	Apr. 1–June 30, 1963.
Amount of accrued interest per $1,000 per day paid with principal.	$0.074728 from July 1, 1962, to date of purchase.	$0.075967 from Jan. 1, 1963, to date of purchase.	$0.081522 from July 1, 1962, to date of purchase.	$0.082873 from Jan. 1, 1963, to date of purchase.

Regulations

EXHIBIT 7.—Third amendment, January 29, 1963, to Department Circular No. 905, Second Revision, United States savings bonds, Series H

TREASURY DEPARTMENT,
Washington, January 29, 1963.

Section 332.10 of Department Circular No. 905, Second Revision, dated September 23, 1959 (31 CFR, 1962 Supp., 332), is hereby supplemented by the addition of subsection (c) as follows:

(c) *Identifying numbers.*—The applicant will furnish the appropriate identifying number of the owner or first-named coowner, as the case may be, required to be used on tax returns and other documents submitted to the Internal Revenue Service (an individual's social security account number or employer identification number), and the issuing agent will, in addition to the other data prescribed by sec. 332.5, include such identifying number on the bond following the name of the owner or first-named coowner.

DOUGLAS DILLON,
Secretary of the Treasury.

EXHIBIT 8.—Notice of Revocation of 1947 Treasury Department Circular No. 811

TREASURY DEPARTMENT,
Washington, September 17, 1962.

Effective as of the close of business September 29, 1962, banks and other financial institutions will no longer be authorized to redeem Armed Forces leave bonds. Treasury Department Circular No. 811 (31 CFR 325), relating to payments by banks and other financial institutions in connection with redemption of Armed Forces leave bonds, is revoked effective at the close of business September 29, 1962.

DOUGLAS DILLON,
Secretary of the Treasury.

EXHIBIT 9.—Second amendment, September 17, 1962, to Department Circular No. 793, Revised, regulations governing Armed Forces leave bonds

TREASURY DEPARTMENT,
Washington, September 17, 1962.

Department Circular No. 793, Revised, dated August 1, 1947 (31 CFR 1947 Supp., Part 324), is hereby amended and revised, effective as of the close of business September 29, 1962.

AUTHORITY: Armed Forces Leave Act of 1946, as amended (60 Stat. 963; 61 Stat. 510; 62 Stat. 506; 37 U.S.C. 32, 35); and Second Liberty Bond Act, as amended (31 U.S.C. 757c).

Section 324.8 is rescinded.

Section 324.9 is amended to read as follows:

SEC. 324.9. *Payment of bonds.*

(a) *Execution of request and presentation for payment.*—A registered owner must identify himself to an authorized certifying officer and must sign the request for payment of his bond in the presence of such officer. The bond should be presented and surrendered direct or through a bank or trust company to a Federal Reserve Bank or branch or to the Treasurer of the United States, Washington 25, D.C., except that any bond marked "DUPLICATE" should be forwarded to the Bureau of the Public Debt, Division of Loans and Currency, Washington 25, D.C.

(b) *Certification of request.*—After the registered owner has identified himself and signed the request for payment, the certifying officer should complete the certification appearing at the end of the form for request for payment and imprint his official seal or stamp. An embossing seal should *not* be used for this purpose. If the officer has no other seal, he should prepare a separate certification which describes the bond, complete and sign it and impress the seal thereon.

(c) *Certifying officers.*—The following officers are authorized to certify requests for payment of Armed Forces leave bonds:

(1) *Banks, trust companies and branches.*—Any officer of any bank or trust company incorporated in the United States or its organized territories, or domestic or foreign branch of such bank or trust company, including those doing business in the organized territories or insular possession of the United States under Federal charter or organized under Federal law; Federal Reserve Banks, Federal land banks, and Federal home loan banks; and any employee of any such bank or trust company expressly authorized by the corporation for that purpose, who should sign over the title "Designated Employee";

(2) *Veterans' home or hospital or other facility.*—The officer in charge of any home, hospital, or other facility of the Veterans Administration (only for patients and members of such facilities);

(3) *Foreign countries.*—Any United States diplomatic or consular representative; a notary or other officer authorized to administer oaths, whose certification must be accompanied by a certificate as to his official character and jurisdiction certified by a United States diplomatic or consular officer under seal of his office (see (b) above);

(4) *Armed forces.*—Commissioned officers of the Army, Navy, Air Force, Marine Corps, and Coast Guard of the United States for members of their establishments or civilian employees (and the families of such members or employees) under their jurisdiction, persons in countries in which there are no United States diplomatic or consular representatives and persons who are in areas remote from such representatives;

(5) *Special provisions.*—The Commissioner of the Public Debt, the Chief of the Division of Loans and Currency, or a Federal Reserve Bank is authorized to make special provision for certification in any particular case in which none of the officers authorized to certify requests for payment of Armed Forces leave bonds is readily accessible.

DOUGLAS DILLON,
Secretary of the Treasury.

EXHIBIT 10.—Second Revision, April 19, 1963, of Department Circular No. 300, general regulations with respect to United States securities

TREASURY DEPARTMENT,
Washington, April 19, 1963.

Department Circular No. 300, Revised, dated April 1, 1955, as amended (31 CFR 306), is hereby further amended and issued as the Second Revision, effective April 19, 1963.

AUTHORITY: Secs. 306.0 to 306.118 issued under R.S. 3706, 40 Stat. 288, 290, and 1309, 48 Stat. 343 and 50 Stat. 481; 31 U.S.C. 738a, 739, 752, 752a, 753, 754, 754a, and 754b.

SUBPART A—GENERAL INFORMATION

Sec. 306.0. *Applicability of regulations.*—These regulations apply to all United States transferable and nontransferable securities,[1] other than United States savings bonds, to the extent specified in these regulations, the offering circulars or special regulations governing such securities.

Sec. 306.1 *Official agencies.*

(a) *Subscriptions—tenders-bids.*—Securities subject to these regulations are issued from time to time pursuant to public offerings by the Secretary of the Treasury, through the Federal Reserve Banks, fiscal agents of the United States, and the Treasurer of the United States. Only the Federal Reserve Banks and branches and the Treasury Department are authorized to act as official agencies, and subscriptions for securities, tenders for Treasury bills, and bids, to the extent provided in the regulations governing the sale of Treasury bonds through competitive bidding, may be made direct to them; however, banking institutions may assist customers with their subscriptions, tenders or bids.

[1] Bonds and other securities issued by certain agencies of the United States and the former Government of Puerto Rico are subject to these regulations, so far as applicable, under special arrangements with the issuing authorities. Information as to their application to any particular transaction in any designated security will be furnished by the Bureau of the Public Debt, Division of Loans and Currency, Washington 25, D.C., upon request.

(b) *Transactions after issue.*—Transactions in securities after original issue are largely conducted by the Bureau of the Public Debt, Division of Loans and Currency, Washington 25, D.C., and inquiries concerning such transactions should be directed to it. The Federal Reserve Banks and branches are also official agencies for the receipt of securities for transactions after issue. The Federal Reserve Banks and branches are located in the cities indicated by their names, as follows:

Federal Reserve Bank of Boston.
Federal Reserve Bank of New York,
Buffalo Branch.
Federal Reserve Bank of Philadelphia.
Federal Reserve Bank of Cleveland,
Cincinnati Branch,
Pittsburgh Branch.
Federal Reserve Bank of Richmond,
Baltimore Branch,
Charlotte Branch.
Federal Reserve Bank of Atlanta,
Birmingham Branch,
Jacksonville Branch,
Nashville Branch,
New Orleans Branch.
Federal Reserve Bank of Chicago,
Detroit Branch.
Federal Reserve Bank of St. Louis,
Little Rock Branch,
Louisville Branch,
Memphis Branch.
Federal Reserve Bank of Minneapolis,
Helena (Montana) Branch.
Federal Reserve Bank of Kansas City,
Denver Branch,
Oklahoma City Branch,
Omaha Branch.
Federal Reserve Bank of Dallas,
El Paso Branch,
Houston Branch,
San Antonio Branch.
Federal Reserve Bank of San Francisco,
Los Angeles Branch,
Portland (Oregon) Branch,
Salt Lake City Branch,
Seattle Branch.

Sec. 306.2. *Definitions.*—Certain words and terms, as used in these regulations, are defined as follows:

(a) "Department" refers to the Treasury Department.

(b) "Bureau" refers to the Bureau of the Public Debt, Division of Loans and Currency, Washington 25, D.C.

(c) "Treasury securities," "Treasury bonds," "Treasury notes," "Treasury certificates of indebtedness," and "Treasury bills," or simply "securities," "bonds," "notes," "certificates," and "bills," unless otherwise indicated by the context, refer only to transferable securities.

(d) "Transferable securities" are securities title to which may be transferred by delivery, or by assignment and delivery, and which may be sold on the market.

(e) "Registered securities" are either transferable or nontransferable, payable on their face at maturity or call for redemption before maturity in accordance with their terms to certain persons whose names and addresses are recorded. Nontransferable securities, issued only in registered form, are payable according to their terms to the registered owners or recognized successors in title to the extent and in the manner provided in the offering circulars or applicable regulations.

(f) "Bearer securities" are those which are payable on their face at maturity or call for redemption before maturity in accordance with their terms to "bearer," the ownership of which is not recorded. Title to such securities may pass by delivery without endorsement and without notice. "Coupon securities" are bearer securities which are issued with interest coupons attached.

(g) "Securities assigned in blank" or "securities so assigned as to become, in effect, payable to bearer" refers to registered securities which are assigned by the owner or his authorized representative without designating the assignee. Registered securities assigned simply to "The Secretary of the Treasury" or in the case of Treasury Bonds, Investment Series B-1975-80, to "The Secretary of the Treasury for exchange for the current Series EA or EO Treasury notes" are considered to be so assigned as to become, in effect, payable to bearer.

(h) "Face maturity date" is the payment date specified in the text of a security.

(i) "Call date" is the date on which the obligor may make payment before maturity pursuant to a call for redemption in accordance with the terms of the security.

(j) "Payment" and "redemption," unless otherwise indicated by the context, are used interchangeably for payment at maturity or payment before maturity pursuant to a call for redemption in accordance with the terms of the securities.

(k) "Redemption-exchange" is any authorized redemption of securities for the purpose of applying the proceeds in payment for other securities offered in exchange.

(l) "Advance refunding offer" is an offer to a holder of a security, in advance of its call or maturity, to exchange it for another security.

(m) "Coownership" and "coowner" are used for convenience only to describe any permitted form of joint ownership.

(n) "Incompetent" refers to a person under any legal disability except minority.

(o) "Court" means one which has jurisdiction over the parties and the subject matter.

(p) "Identifying number" means the appropriate identifying number as required on tax returns and other documents submitted to the Internal Revenue Service, i.e., an individual's social security account number or an employer identification number. (NOTE: The social security account number is composed of nine digits separated by two hyphens, for example, 000-00-0000; the employer identification number is composed of nine digits separated by one hyphen, for example, 00-0000000. The hyphens are an essential part of the numbers and must be included.)

Sec. 306.3. *Transportation charges and risks in the shipment of securities.*—The following rules will govern transportation to, from, and between the Treasury Department and the Federal Reserve Banks and branches of securities issued on or presented for authorized transactions:

(a) The securities may be presented or received by the owners or their agents in person.

(b) Securities issued *on original issue,* unless delivered in person, will be delivered by registered mail or by other means at the risk and expense of the United States.

(c) The United States will assume the risk and expense of any transportation of securities which may be necessary between the Federal Reserve Banks and branches and the Treasury.

(d) Securities submitted for any transaction after original issue, if not presented in person, must be forwarded at the owner's risk and expense.

(e) *Bearer securities* issued on transactions other than original issue will be delivered by registered mail, covered by insurance, at the owner's risk and expense, unless called for in person by the owner or his agent. *Registered securities* issued on such transactions will be delivered by registered mail at the risk of, but without expense to, the registered owner. Should delivery by other means be desired, advance arrangements should be made with the official agency to which the original securities were presented.

SUBPART B—REGISTRATION

Sec. 306.10. *Registration.*

(a) *General.*—The registration used must express the actual ownership of the security, and may not include any restriction on the authority of the owner to dispose of it in any manner, except as otherwise specifically provided in these regulations. The Treasury Department reserves the right to treat the registration as conclusive of ownership. Requests for registration should be clear, accurate and complete, and conform substantially with one of the forms set forth in this subpart. The registration of all securities owned by the same person, organization, or fiduciary estate should be uniform. The address must include the street and number, postal zone, rural route, or any other local feature. Individual owners should be designated by the names by which they are ordinarily known or under which they do business, preferably including at least one full given name. The name of an individual may be preceded by any applicable title, such as "Dr." or "Rev.," or followed by "M.D.," "D.D." or other similar designation. "Sr." or "Jr." or any other similar suffix should be used when necessary to distinguish the owner from any other person. The name of a woman must be preceded by "Miss" or "Mrs.," unless some other applicable title or designation is used. A married woman's own given name, not that of her husband, must be used for example, "Mrs. Mary A. Jones," NOT "Mrs. Frank B. Jones."

(b) *Identifying number.*—Requests for registration and assignments for transfer must include identifying numbers. (See sec. 306.2(p).) Identifying numbers are not required for foreign governments, nonresident aliens not engaged in trade or business within the United States, or international organizations and foreign corporations not engaged in trade or business within the United States

and not having an office or place of business or a financial or paying agent in the United States.

Sec. 306.11. *Forms of registration for transferable securities.*—The forms of registration described below are authorized for transferable securities:

(a) *Natural persons in their own right.*—In the names of natural persons who are not under any legal disability, in their own right, substantially as follows:

(1) *One person.*—In the name of one individual, for example:

John A. Doe (000-00-0000)
Mrs. Mary C. Doe (000-00-0000)
Miss Mary Ann Doe (000-00-0000)

An individual who is sole proprietor of a business conducted under a trade name may include a reference to the trade name, for example:

John A Doe, doing business as Doe's Home Appliance Store (00-0000000)
or
John A. Doe (000-00-0000), d/b/a Doe's Home Appliance Store

(2) *Two or more persons—general.*—Securities will not be registered in the name of one person payable on death to another, or in any form which purports to authorize transfer by less than all the persons named in the registration as owners (or all the survivors).[1] Securities registered in the names of husband and wife should show the husband's identifying number. Securities registered in the names of a minor (whether under legal or natural guardianship) and an adult should show the latter's identifying number.

(i) *With right of survivorship.*—In the names of two or more individuals with right of survivorship, for example:

John A. Doe (000-00-0000) or Mrs. Mary C. Doe or the survivor
Mrs. Mary C. Doe and John A. Doe (000-00-0000) or the survivor
John A. Doe (000-00-0000) or Mrs. Mary C. Doe or Miss Mary Ann Doe or the survivors or survivor
John A. Doe (000-00-0000) or Mrs. Mary C. Doe
John A. Doe (000-00-0000) and Mrs. Mary C. Doe

(ii) *Without right of survivorship.*—In the names of two or more individuals in such manner as to preclude the right of survivorship, for example:

John A. Doe (000–00–0000) and William B. Doe as tenants in common
John A. Jones as natural guardian of Henry B. Jones, a minor, or Robert C. Jones (000–00–0000), without right of survivorship.

(b) *Natural guardians of minors.*—A security may be registered in the name of a natural guardian of a minor for those whose *estate* no legal guardian or similar representative has legally qualified, for example:

John Jones as natural guardian of Henry Jones, a minor (000–00–0000)

Either parent with whom the minor resides, or, if he does not reside with either parent, the person who furnishes his chief support, will be recognized as his natural guardian and will be considered a fiduciary. Registration in the name of a minor in his own right as owner or coowner is not authorized. Securities so registered, upon qualification of the natural guardian, will be treated as though registered in the name and title of the natural guardian.

(c) *Incompetents not under guardianship.*—Registration in the name of an incompetent is not authorized, except to the extent provided in sec. 306.57(c)(2).

(d) *Private organizations (corporations, unincorporated associations, and partnerships).*—A security may be registered in the name of any private corporation, unincorporated association, or partnership. The full legal name of the organization, as set forth in its charter, articles of incorporation, constitution, partnership agreement, or other authority from which its powers are derived, must be included in the registration, and may be followed, if desired, by a parenthetical reference to a particular account or fund other than a trust fund, in accordance with the rules and examples given below:

(1) *A corporation.*—The name of a business, fraternal, religious, or other private corporation must be followed by descriptive words indicating the corporate status unless the term "corporation" or the abbreviation "Inc." is part of the name

[1] WARNING: DIFFERENCE BETWEEN TRANSFERABLE TREASURY SECURITIES REGISTERED IN THE NAMES OF TWO OR MORE PERSONS AND UNITED STATES SAVINGS BONDS IN COOWNERSHIP FORM. The effect of registering transferable Treasury securities in the names of two or more persons differs decidedly from registration of savings bonds in coownership form. Savings bonds are virtually redeemable on demand at the option of either coowner on his signature alone. Tsansferable Treasury securities are redeemable only at maturity or upon prior call by the Secretary of the Treasury. Accordingly, if cash is needed before such time, it can be realized only by sale on the market. This involves a transfer of ownership which can be accomplished only upon proper assignment by or in behalf of all owners.

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or the name is that of a corporation or association organized under Federal law, such as a national bank or a Federal savings and loan association, for example:

Smith Manufacturing Company, a corp. (00–0000000)
The Standard Manufacturing Corp. (00–0000000)
Jones & Brown, Inc. (00–0000000) (Depreciation Acct.)
First National Bank of -------------------- (00–0000000)

(2) *An unincorporated association.*—The name of a lodge, club, labor union, veterans' organization, religious society, or similar self-governing organization which is not incorporated (whether or not it is chartered by or affiliated with a parent organization which is incorporated) must be followed by the words "an unincorporated association," for example:

American Legion Post No. ----, Department of the D.C., an unincorporated assn. (00–0000000)
Local Union No. 100, Brotherhood of Locomotive Engineers, an unincorporated association (00–0000000)

Securities should not be registered in the name of an unincorporated association if the legal title to its property in general, or the legal title to the funds with which the securities are to be purchased, is held by trustees. In such a case the securities should be registered in the title of the trustees in accordance with (h) of this section. The term "unincorporated association" should not be used to describe a trust fund, a partnership, or a business conducted under a trade name.

(3) *A partnership.*—The name of a partnership must be followed by the words "a partnership," for example:

Smith & Brown, a partnership (00–0000000)
Acme Novelty Co., a limited partnership (00–0000000)

(e) *States, public bodies and corporations and public officers.*—A security may be registered in the name of a State or county, city, town, village, school district or other political entity, public body or corporation established by law (including a board, commission, administration, authority or agency) which is the owner or official custodian of public funds, *other than trust funds*, or in the full legal title of the public officer having custody, for example:

State of Maine (00–0000000)
Town of Rye, N.Y. (00–0000000)
Maryland State Highway Commission (00–0000000)
Treasurer, City of Springfield, Ill. (00–0000000)
Treasurer of Rhode Island as Custodian of the State Forestry Fund (00–0000000)

(f) *States, public officers, corporations or bodies of trustees.*—A security may be registered in the title of a public officer or in the name of a State or county, a public corporation or public body acting as trustee under express authority of law, followed by appropriate reference to the statute creating the trust, for example:

State Sinking Fund Commission. trustee of State Highway Certificates of Indebtedness Sinking Fund under Sec. ----, Code of S.C. (00–0000000)
Insurance Commissioner of Pennsylvania, trustee for the benefit of the policyholders of the Blank Insurance Co. (00–0000000), under Sec. ----, Penna. Stats.

(g) *Executors, administrators, guardians, and similar representatives or fiduciaries.*—A security may be registered in the names of legally qualified executors, administrators, guardians, conservators, or similar representatives or fiduciaries of a single estate. The names of all the representatives or fiduciaries, in the form shown in their letters of appointment, must be included in the registration and must be followed by an adequate identifying reference to the estate, for example:

John Smith, executor of the will (or administrator of the estate) of Henry J. Jones, deceased (00–0000000)
William C. Jones, guardian (or conservator, etc.) of the estate of James D. Brown, a minor (or an incompetent) (000–00–0000)
William C. Jones, as custodian for John Smith, a minor (000–00–0000), under the California Gifts of Securities to Minors Act

(h) *Private trust estates.*—A security may be registered in the name and title of the trustee or trustees of a single duly constituted private trust, followed by an adequate identifying reference to the authority governing the trust, for example:

John Jones and Blank Trust Company, Albany, N.Y., trustees under the will of Sarah Jones, deceased (00–0000000)
John Doe and Richard Roe, trustees under agreement with Henry Jones dated 2/9/50 (00–0000000)

The names of all trustees, in the form used in the trust instrument, must be included in the registration, except as follows:

(1) If there are several trustees designated as a board or authorized to act as a unit, their names should be omitted and the words "Board of Trustees" should be substituted for the word "trustees," for example:

Board of Trustees of Blank Company Retirement Fund under collective bargaining agreement dated 6/30/50 (00–0000000)

(2) If the trustees do not constitute a board or otherwise act as a unit, and are either too numerous to be designated in the inscription by names and title, or serve for limited terms, some or all of the names may be omitted, for example:

John Smith, Henry Jones, et al., trustees under the will of Henry J. Smith, deceased (00–0000000)

Trustees under the will of Henry J. Smith, deceased (00–0000000)

Trustees of Retirement Fund of Industrial Manufacturing Co., under directors' resolution of 6/30/50 (00–0000000)

Sec. 306.12. *Nontransferable securities.*—Upon authorized reissue, Treasury Bonds, Investment Series B–1975–80, may be registered in the forms set forth in sec. 306.11.

Sec. 306.13. *Errors in registration.*—If an erroneously inscribed security is received it should not be altered in any respect but the Bureau or a Federal Reserve Bank or branch should be promptly furnished full particulars concerning the error and requested to furnish instructions.

SUBPART C—TRANSFERS, EXCHANGES, AND REISSUES

Sec. 306.15. *Transfers and exchanges of securities—closed periods.*

(a) *General.*—The transfer of registered securities should be made by assignment in accordance with Subpart F. Transferable registered securities are eligible for denominational exchange and exchange for bearer securities. Bearer securities are eligible for denominational exchange, and when so provided in the offering circular, are eligible for exchange for registered securities. Specific instructions for the issuance and delivery of the new securities, signed by the owner or his authorized representative, must accompany the securities presented. (Form PD 1642, 1643, 1644, or 1827, as appropriate, may be used.) Securities presented for transfer or for exchange for bearer securities of the same issue must be received by an official agency not less than one full month before the date on which the securities mature or become redeemable pursuant to a call for redemption before maturity, and any security so presented which is received too late to comply with this provision will be accepted for payment only.

(b) *Closing of transfer books.*—The transfer books are closed for one full month preceding interest payment dates. If the date set for the closing of the transfer books falls on Saturday, Sunday, or a legal holiday, the books will be closed as of the close of business on the last business day preceding that date. If registered securities forwarded for transfer, for reissue, or for exchange for coupon securities, or coupon securities forwarded for exchange for registered securities are received by the Bureau during the time the books are closed, the transaction will not be completed until the first business day following the date on which interest falls due, when the books are reopened for all purposes. However, denominational exchanges, exchanges of Treasury Bonds, Investment Series B–1975–80, for the current series of EA or EO 1½ percent 5-year Treasury notes, and optional redemption of bonds at par as provided in sec. 306.28, may be made at any time.

Sec. 306.16. *Denominational exchanges of registered securities.*—No assignment will be required for the authorized exchange of registered securities for like securities in the same names in other authorized denominations.

Sec. 306.17. *Exchanges of registered securities for coupon securities.*—Registered securities submitted for exchange for coupon securities should be assigned to "The Secretary of the Treasury for exchange for coupon securities to be delivered to (inserting the name and address of the person to whom delivery of the coupon securities is to be made)." Assignments to "The Secretary of the Treasury for exchange for coupon securities," or assignments in blank will also be accepted. The coupon securities issued upon exchange will have all unmatured coupons attached.

Sec. 306.18. *Exchanges of coupon securities for registered securities.*—Coupon securities presented for exchange for registered securities should have all matured interest coupons detached. All unmatured coupons should be attached, except that if presented when the transfer books are closed (in which case the exchange will be effected on or after the date on which the books are reopened), the next

maturing coupons should be detached and held for collection in ordinary course when due. If any coupons which should be attached are missing, the securities must be accompanied by a remittance in an amount equal to the face amount of the missing coupons. The new registered securities will bear interest from the interest payment date next preceding the date on which the exchange is made.

Sec. 306.19. *Denominational exchanges of coupon securities.*—All matured interest coupons and all unmatured coupons likely to mature before an exchange can be completed should be detached from securities presented for denominational exchange. All unmatured coupons should be attached. If any are missing, the securities must be accompanied by a remittance in an amount equal to the face amount of the missing coupons. The new coupon securities will have all unmatured coupons attached.

Sec. 306.20. *Reissue of registered transferable securities.*—Assignments are not required for reissue of registered transferable securities in the name(s) of (1) the surviving coowner or coowners of securities registered in the names of or assigned to two or more persons, unless the registration or assignment includes words which preclude the right of survivorship, or the words "or either of them," (2) a succeeding fiduciary or other lawful successor, (3) an individual, corporation, or unincorporated association whose name has been legally changed, (4) a corporation or unincorporated association which is the lawful successor to another corporation or unincorporated association, and (5) a successor in title to a public officer or body. Evidence of survivorship, succession, or change of name, as appropriate, must be furnished. No evidence will be required to support assignments for redemption for the account of the registered owner(s) or assignee(s), or for redemption-exchange or pursuant to an advance refunding offer if the securities offered in exchange are to be registered in substantially the same form. The appropriate identifying number must be furnished if the registration of the security submitted does not include such number for the person or organization to be named on the reissued or new bonds.

Sec. 306.21. *Reissue of nontransferable securities.*

(a) *Treasury Bonds, Investment Series A–1965.*—Bonds of this series may be reissued only when (1) the name of an owner has been changed, (2) the trustees in whose names the bonds are registered have been succeeded by other trustees, and (3) the corporation, unincorporated association, or fund in whose name the bonds are registered has been succeeded by another corporation or unincorporated association or fund, by operation of law or otherwise, whereby the business or activities of the original organization or fund are continued without substantial change in the successor. Bonds presented for reissue must be accompanied by pertinent evidence and an appropriate request for reissue. (Form PD 2168 should be used.)

(b) *Treasury Bonds, Investment Series B–1975–80.*—Bonds of this series may be reissued only in the names of (1) lawful successors in title, (2) the legal representatives or distributees of a deceased owner's estate, or the distributees of a trust estate, and (3) State supervisory authorities in pursuance of any pledge required of the owner under State law, or upon termination of the pledge in the names of the pledgors or their successors. Bonds presented for reissue must be accompanied by evidence of entitlement.

Sec. 306.22. *Exchange of Treasury Bonds, Investment Series B–1975–80.*—Bonds of this series presented for exchange for 1½ percent 5-year Treasury notes must bear duly executed assignments to "The Secretary of the Treasury for exchange for the current series of EA or EO Treasury notes to be delivered to (inserting the name and address of the person to whom the notes are to be delivered)." The notes will bear the April 1 or October 1 date next preceding the date the bonds, duly assigned with supporting evidence, if necessary, are received by the Bureau or a Federal Reserve Bank or branch. Interest accrued at the rate of 2¾ percent on the bonds surrendered from the next preceding interest payment date to the date of exchange will be credited, and interest at the rate of 1½ percent on the notes for the same period will be charged and the difference will be paid to the owner.

SUBPART D—REDEMPTION OR PAYMENT

Sec. 306.25. *Presentation and surrender.*

(a) *General.*—Securities, whether in registered or bearer form, are payable in due course at maturity unless called for redemption before maturity, in which

case they will be payable on the redemption date fixed in the call. The Secretary of the Treasury may provide for the exchange of maturing or called securities, or pursuant to an advance refunding offer, may afford owners the opportunity of exchanging a security, in advance of call or maturity, for another security. Registered securities should be presented and surrendered for redemption to a Federal Reserve Bank or branch or to the Bureau, and bearer securities to a Federal Reserve Bank or branch or to the Treasurer of the United States, Washington 25, D.C.[1]

(b) *"Overdue" securities.*—If a bearer security or a registered security assigned in blank, or to bearer or so assigned as to become, in effect, payable to bearer, is presented and surrendered for redemption after it has become overdue, the Secretary of the Treasury may require satisfactory proof of ownership. A security shall be considered overdue after the lapse of the following periods of time from its face maturity date:

(1) One year for Treasury bonds.
(2) Six months for Treasury notes and certificates of indebtedness.
(3) Three months for Treasury bills.
(4) Other securities:
(i) One year for securities issued for a term of five years or longer.
(ii) Six months for securities issued for a term of one year or more but less than five years.
(iii) Three months for securities issued for a term of less than one year.

Sec. 306.26. *Redemption of registered securities at maturity, upon prior call, or for advance refunding.*—Registered securities presented and surrendered for redemption at maturity or pursuant to a call for redemption before maturity should be assigned to "The Secretary of the Treasury for redemption," unless the assignor desires that payment be made to some other person, in which case the assignments should be made to "The Secretary of the Treasury for redemption for the account of (inserting the name, identifying number, and address of the person to whom payment is to be made)." Assignments in blank or other assignments having a similar effect will be accepted but specific instructions for the issuance and delivery of the redemption check, signed by the owner or his authorized representative, must accompany the securities, unless included in the assignment. (Form PD 1705 may be used.) Payment will be made by check drawn on the Treasurer of the United States to the order of the person entitled and mailed in accordance with the instructions received. Interest payable on the maturity date, or call redemption date, unless otherwise provided in the notice of call, will be paid with the principal. Securities presented for advance refunding should be assigned as provided in the advance refunding offer. Adjustment of interest will be made as provided in the offer.

Sec. 306.27. *Redemption of bearer securities at maturity, upon prior call, or for advance refunding.*—All interest coupons due and payable on or before the date of maturity or date fixed in the call for redemption before maturity should be detached from coupon securities presented for redemption and should be collected separately in regular course. All coupons bearing dates subsequent to a date fixed in a call for redemption, or an offer of advance refunding, should be left attached to the securities. If any such coupons are missing the full face amount thereof will be deducted from the payment to be made upon redemption or the advance refunding adjustment unless satisfactory evidence of their destruction is submitted. Any amounts so deducted will be held in the Department to provide for adjustments or refunds in the event that the missing coupons should be subsequently presented or their destruction is later satisfactorily established. In the absence of other instructions, payment of bearer securities will be made by check drawn to the order of the person presenting and surrendering the securities and mailed to him at his address, as given in the advice which should accompany the securities. (Form PD 1704 may be used.) A Federal Reserve Bank, upon appropriate request, may make payment to a member bank from which bearer securities are received by crediting the amount in the member bank's account.

Sec. 306.28. *Optional redemption of Treasury bonds at par (before maturity or call redemption date) and application of the proceeds in payment of Federal estate taxes.*

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[1] See sec. 306.28 for presentation and surrender of securities eligible for use in payment of Federal estate taxes.

(a) *General.*—All Treasury bonds to be redeemed at par for the purpose of applying the proceeds to payment of Federal estate taxes on a decedent's estate [1] must be presented and surrendered to a Federal Reserve Bank or branch or the Bureau. They should be accompanied by Form PD 1782, fully completed and duly executed in accordance with the instructions on the form, and evidence as described therein. Redemption will be made at par plus accrued interest from the last preceding interest payment date to the date of redemption, except that if registered bonds are received by a Federal Reserve Bank or branch or the Bureau within one month preceding an interest payment date for redemption before that date a deduction will be made for interest from the date of redemption to the interest payment date, and a check for the full six months' interest will be paid in due course. The proceeds of redemption will be deposited to the credit of the District Director, Internal Revenue Service, designated in Form PD 1782, the representative of the estate will be notified of the deposit, and the District Director will forward a formal receipt.

(b) *Conditions.*—The bonds presented for redemption under this section must have (1) been owned by the decedent at the time of his death and (2) thereupon constituted part of his estate, as determined by the following rules in the case of coownership, partnership and trust holdings:

(i) *Coownership holdings.*—Bonds held by the decedent at the time of his death in coownership with another person or persons will be deemed to have met the above conditions either (1) to the extent to which the bonds actually became the property of the decedent's estate, or (2) in an amount not to exceed the amount of the Federal estate taxes which the surviving coowner or coowners are required to pay on account of such bonds and other jointly-held property.[2]

(ii) *Partnership holdings.*—Bonds held at the time of the decedent's death by a partnership in which he had an interest will be deemed to have met the above conditions to the extent of his fractional share of the bonds so held proportionate to his interest in the assets of the partnership.

(iii) *Trust holdings.*—Bonds held in trust at the time of the decedent's death will be deemed to have met the above conditions in an amount not to exceed: the amount of the Federal estate taxes which the trustee as such is required to pay under the terms of the trust instrument or otherwise; or, if the trust actually terminated in favor of the decedent's estate, the amount of such estate taxes.

(c) *Transactions permitted after owner's death.*—If the bond or bonds are in excess of the amount of the taxes and are not in the lowest authorized denominations, they may be exchanged for bonds of lower denominations. Other transactions, involving no change of ownership, which may be conducted after the death of the owner without affecting the eligibility of the bonds for redemption at par, include (1) exchange of registered bonds for coupon bonds, (2) transfer to the names of the representative of his estate, and (3) exchange of coupon bonds for bonds registered in the name of the representative of the estate; but such transactions must be explained on Form PD 1782 or in a supplemental statement.

SUBPART E—INTEREST

Sec. 306.35. *Computation of interest.*—The interest on Treasury securities accrues and is payable on a semiannual basis unless otherwise provided in the circular offering them for sale or exchange. If the period of accrual is an exact six months, the interest accrual is an exact one-half year's interest, without regard to the number of days in the period. If the period of accrual is less than an exact six months, the accrued interest is computed by determining the daily rate of accrual on the basis of the exact number of days in the full interest period and multiplying the daily rate by the exact number of days in the fractional period for which interest has actually accrued. A full interest period does not include the day as of which the securities were issued or the day on which the last preceding interest became due, but does include the day on which the next succeeding interest payment is due. A fractional part of an interest period does not include the day as of which the securities were issued or the day on which the last preceding interest

[1] Certain issues of Treasury bonds are redeemable at par and accrued interest upon the death of the owner, at the option of the representative of, or if none, the persons entitled to, his estate, for the purpose of having the entire proceeds applied in payment of the Federal estate taxes on the decedent's estate, in accordance with the terms of the offering circulars cited on the face of the bonds. A current list of eligible issues may be obtained from any Federal Reserve Bank or branch or the Bureau of the Public Debt.

[2] Substantially the same rule applies to community property except that upon the death of either spouse bonds which constitute part of the community estate are deemed to meet the required conditions to the extent of *one-half of each bond.*

payment became due, but does include the day as of which the transaction terminating the accrual of interest is effected. The 29th of February in a leap year is included whenever it falls within either a full interest period or a fractional part thereof.[1]

Sec. 306.36. *Termination of interest.*—Securities will cease to bear interest on the date of their maturity unless they have been called for redemption prior to maturity in accordance with their terms, in which case they will cease to bear interest on the date fixed for redemption in the call.

Sec. 306.37. *Interest on registered securities.*

(a) *Method of payment.*—The interest on registered securities is payable by checks drawn on the Treasurer of the United States to the order of the registered owners, except as otherwise provided herein. Interest checks are prepared by the Department in advance of the interest payment date and are ordinarily mailed in time to reach the addressees on that date. Upon receipt of notice of the death or incompetency of an individual named as registered owner, a change in the name or in the status of a partnership, corporation or unincorporated association, the removal, resignation, succession or death of a fiduciary or trustee, delivery of interest checks will be withheld pending receipt and approval of evidence showing who is entitled to receive the interest checks. If the inscriptions on securities do not clearly identify the owners, delivery of interest checks will be withheld pending reissue of the securities in the correct registration. The final installment of interest will be paid with the principal at maturity, or upon call, unless otherwise provided in the notice of call.[2]

(b) *Change of address.*—To assure timely delivery of interest checks, owners should promptly notify the Bureau of any change of address. (Form PD 345 may be used.) The notification must be signed by the registered owner or a coowner or an authorized representative, and should show the old and new addresses, the serial number and denomination of each security, the title of the securities (for example, 3¼ percent Treasury bonds of 1978–83, dated May 1, 1953), and the registration of each security. Notifications by attorneys in fact or by legal representatives of the estates of deceased, incompetent or minor owners should be supported by proof of their appointment unless, in the case of legal representatives, they are named in the registration.

(c) *Collection of interest checks.*

(1) *General.*—Interest checks may be collected in accordance with the regulations governing the endorsement and payment of Government warrants and checks, which are contained in Department Circular No. 21, Revised, as amended.

(2) *By voluntary guardians of incompetents.*—Interest checks drawn to the order of an incompetent for whose estate no legal guardian or similar representative has been appointed should be returned to the Bureau with a full explanation of the circumstances. For collection of interest, the Department will recognize the relative responsible for the incompetent's care and support or some other person as voluntary guardian for the incompetent. (Application may be made on Form PD 1461.)

(d) *Nonreceipt, loss, theft or destruction of interest checks.*—If an interest check is not received within a reasonable period after an interest-payment date, or if a check is lost, stolen or destroyed after receipt, the Bureau should be notified. The notification should include the name and address of the owner, the serial number, denomination, and titles of the securities upon which the interest was payable. If the check is subsequently received or recovered, the Treasurer of the United States, Washington 25, D.C., should be advised.

Sec. 306.38. *Interest on bearer securities.*—Unless the terms of the securities provide that final interest is payable with the principal at maturity, interest on coupon securities is payable upon presentation and surrender of the interest coupons as they mature. Interest coupons are payable at the Office of the Treasurer of the United States and at any Federal Reserve Bank or branch.[3] The interest on some issues is payable with the principal at maturity, and no coupons are attached. The interest on Treasury bills, which are sold on a discount basis and are payable at par at maturity, is represented by the difference between the purchase price and the par value, and no coupons are attached.

[1] The Appendix to these regulations contains a complete explanation as to the method of computing interest on Treasury bonds, notes, and certificates of indebtedness in any given situation. The Appendix also outlines the method of computing the discount rate on Treasury bills.

[2] See sec. 306.15(b) for presentation of securities during periods transfer books are closed.

[3] Banking institutions will usually cash the coupons without charge as an accommodation to their customers.

SUBPART F—ASSIGNMENTS OF REGISTERED SECURITIES—GENERAL

Sec. 306.40. *Execution of assignments.*—The assignment of a registered security should be executed by the owner or his authorized representative in the presence of an officer authorized to witness the assignment. All assignments must be made on the backs of the securities, unless otherwise authorized by the Department or a Federal Reserve Bank or branch. An assignment by mark (x) must be witnessed not only by a witnessing officer but also by at least one other person, who should add an endorsement substantially as follows: "Witness to signature by mark," followed by his signature and address.

Sec. 306.41. *Form of assignment.*—Registered securities may be assigned in blank, to bearer, to a specified transferee, to the Secretary of the Treasury for exchange for coupon securities, or to the Secretary of the Treasury for redemption or for exchange for other securities offered at maturity, upon call or pursuant to an advance refunding offer. Assignments to "The Secretary of the Treasury," "The Secretary of the Treasury for transfer," or "The Secretary of the Treasury for exchange" will not be accepted, unless supplemented by specific instructions.

Sec. 306.42. *Alterations and erasures.*—If an alteration or erasure has been made in an assignment, an explanation satisfactory to the Treasury Department, usually in the form of an affidavit by the person responsible, will be required.

Sec. 306.43. *Voidance of assignments.*—An assignment of a security to or for the account of another person, not completed by delivery, may be voided by a disclaimer of interest from that person. The disclaimer should be executed in the presence of an officer authorized to witness assignments of securities. Unless otherwise authorized by the Treasury Department or a Federal Reserve Bank or branch the disclaimer must be written, typed, or stamped on the back of the security, in substantially the following form:

The undersigned as assignee of this security hereby disclaims any interest herein.

(Signature)

I certify that the above-named person as described, whose identity is well known or proved to me, personally appeared before me the ---- day of -------------- at ------------------- and signed the above disclaimer of interest.
(Month and year) (Place)

(SEAL)

(Signature and official designation of witnessing officer)

In the absence of a disclaimer, an affidavit or affidavits should be submitted for consideration explaining why a disclaimer cannot be obtained, reciting all other material facts and circumstances relating to the transaction, including whether or not the security was delivered to the person named as assignee and whether or not the affiants know of any basis for the assignee claiming any right, title or interest in the security.

Sec. 306.44. *Discrepancies in names.*—The Department will ordinarily require an explanation of discrepancies in the names which appear in inscriptions, assignments, supporting evidence or in the signatures to any assignments. (Form PD 385 may be used for this purpose.) However, where the variations in the name of the registered owner, as inscribed on securities of the same or different issues, are such that both may properly represent the same person, for example, "J. T. Smith" and "John T. Smith," no proof of identity will be required *if the assignments are signed exactly as the securities are inscribed and are duly certified by the same witnessing officer.*

Sec. 306.45. *Officers authorized to witness assignments.*

(a) *Officers authorized generally.*—Officers authorized to witness assignments include:

(1) Officers and employees of banks and trust companies chartered by or incorporated under the laws of the United States or those of any State, Commonwealth or Territory of the United States, and Federal savings and loan associations or other organizations which are members of the Federal Home Loan Bank System, who have been authorized generally to bind their respective institutions by their acts.

(2) Officers of Federal Reserve Banks and branches.

(3) Officers of Federal land banks, Federal intermediate credit banks, and banks for cooperatives, the central bank for cooperatives, and Federal home loan banks.

(4) United States attorneys, collectors of customs, and regional commissioners and district directors, Internal Revenue Service.

(5) Judges and clerks of United States courts.

(b) *Authorized officers in foreign countries.*—The following officers are authorized to witness assignments in foreign countries:

(1) United States diplomatic or consular representatives.

(2) Managers, assistant managers and other officers of foreign branches of banks or trust companies chartered by or incorporated under the laws of the United States or any State, Commonwealth or Territory of the United States.

(3) Notaries public and other officers authorized to administer oaths. The official position and authority of any such officer must be certified by a United States diplomatic or consular representative under seal of his office.

(c) *Officers having limited authority.*—The following officers are authorized to witness assignments to the extent set forth in connection with each class of officers:

(1) Postmasters, acting postmasters, assistant postmasters, inspectors-in-charge, chief and assistant chief accountants, and superintendents of stations of any post office, notaries public and justices of the peace in the United States, its territories and possessions, the Commonwealth of Puerto Rico and the Canal Zone, but only for assignment of securities for redemption for the account of the assignor, or for redemption-exchange, or pursuant to an advance refunding offer for other securities to be registered in his name, or in his name with a coowner. The signature of any post office official, other than a postmaster, must be in the following form: "John A. Doe, Postmaster, by Richard B. Roe, Superintendent of Station."

(2) Commissioned officers and warrant officers of the Armed Forces of the United States for assignments of securities of any class for any authorized transaction, but only with respect to assignments executed by (i) Armed Forces personnel and civilian field employees, and (ii) members of the families of such personnel or civilian employees.

(d) *Special provisions for witnessing assignments.*—The Commissioner of the Public Debt, the Chief of the Division of Loans and Currency, or any Federal Reserve Bank or branch is authorized to make special provisions for any case or class of cases.

Sec. 306.46. *Duties and responsibilities of witnessing officers.*—The witnessing officer must require execution of the assignment in his presence after he has established the identity of the assignor. He must then complete the certification and impress or imprint the official seal or stamp, if any. The witnessing officer and, if he is an officer or employee of an organization, the organization will be held responsible for any loss which the United States may suffer as the result of his fault or negligence.

Sec. 306.47. *Evidence of witnessing officer's authority.*—The authority of a witnessing officer may be established by his affixing the seal of his organization to his certification of an assignment. If such officer does not have access to the seal, his signature and authority must be certified to the Department, under seal, by an officer having access to the records and will be recognized until notice is received that his authority has been terminated. (Form PD 835–B may be used.) Any post office official must use the official stamp of his office. A commissioned or warrant officer of any of the armed forces of the United States should indicate his rank and state that the person executing the assignment is one of the class whose signature he is authorized to witness. A judge or clerk of court must use the seal of the court. Any other witnessing officer must use his official seal or stamp, if any, but, if he has neither, his official position and a specimen of his signature must be certified by some other authorized officer under official seal or stamp or otherwise proved to the satisfaction of the Department.

Sec. 306.48. *Interested person not to act as witness or witnessing officer.*—Neither the assignor, the assignee, nor any person having an interest in a security may act as witnessing officer or as witness to an assignment by mark. However, a bank officer may witness an assignment to the bank, or an assignment executed by another officer in its behalf.

Sec. 306.49. *Nontransferable securities.*—The provisions of this subpart, so far as applicable, govern transactions in Treasury Bonds, Investment Series B–1975–80.

SUBPART G—ASSIGNMENTS BY OR IN BEHALF OF INDIVIDUALS

SEC. 306.55. *Signatures, minor errors, and change of name.*—The owner's signature to an assignment should be in the form in which the security is inscribed or assigned, unless such inscription or assignment is incorrect or the name has since been changed. In case of a change of name, the signature to the assignment should show both names and the manner in which the change was made, for example, "John Young, formerly John Jung (changed by court order)." Evidence of the change will be required. However, no evidence is required to support an assignment if the change resulted from marriage and the signature, which must be duly witnessed by an authorized officer, is written to show that fact, for example, "Mrs. Mary J. Brown, before marriage Miss Mary Jones."

SEC. 306.56. *Assignment of securities registered in the names of or assigned to two or more persons.*

(a) *For transfer or exchange.*—The transfer or exchange for coupon securities of securities registered in the names of or assigned to two or more persons may be made during the lives of all the coowners only upon assignments by all or in their behalf by authorized representatives. Upon proof of the death of one, the Department will accept an assignment by or in behalf of the survivor or survivors, unless the registration or assignment includes words which preclude the right of survivorship, or the words "or either of them." In such cases, in addition to assignment by or in behalf of the survivor or survivors, an assignment in behalf of the decedent's estate will be required.

(b) *For advance refunding exchanges.*—Securities registered in the names of or assigned to two or more persons, whether jointly or in the alternative, may be assigned by one where the securities offered in exchange are to be inscribed in their names in substantially the same form. If bearer securities or securities in a different form are to be issued, all persons named must assign, except that in case of death paragraph (a) of this section shall apply.

(c) *For redemption or redemption-exchange.*

(1) *Alternative registration or assignment.*—Securities registered in the names of or assigned to two or more persons *in the alternative*, for example, "John Smith or Mrs. Mary Smith" or "John Smith or Mrs. Mary Smith or the survivor," may be assigned by one coowner at maturity or upon call, for redemption or redemption-exchange (as defined in sec. 306.2(k)), for his own account or otherwise, whether or not the other coowner or coowners are deceased. This provision also applies to securities registered in or assigned to the form "John Smith and Mrs. Mary Smith or either of them."

(2) *Joint registration or assignment.*—Securities registered in the names of or assigned to two or more persons *jointly*, for example, "John Smith and Mrs. Mary Smith," "John Smith and Mrs. Mary Smith or the survivor," or "John Smith and Mrs. Mary Smith as tenants in common," may be assigned by one coowner during the lives of all only (i) for redemption at maturity or upon call, *and then only for redemption for the account of all*, or (ii) for exchange for other securities to be registered in their names in substantially the same form as appears in the registration or assignment of the securities surrendered. Upon proof of the death of one coowner, the survivor or survivors may assign securities so registered or assigned for redemption or redemption-exchange for any account, except that, if the words "as tenants in common" or other words having the same effect appear in the registration or assignment, assignment in behalf of the decedent's estate also will be required.

SEC. 306.57. *Minors and incompetents.*

(a) *Assignments of securities registered in name of minor.*

(1) *By minor.*—Securities registered in the name of a minor for whose estate no guardian or similar representative is legally qualified, may be assigned by the minor at maturity or call for redemption if the total face amount of the matured or called securities so registered does not exceed $500, and if the minor, in the opinion of the witnessing officer, is of sufficient competency to execute the assignments and understand the nature of the transaction.

(2) *By natural guardian.*—Securities registered in the name of a minor for whose estate no legal guardian or similar representative has qualified may be assigned by the natural guardian upon qualification. Form PD 2481 may be used for this purpose.

(b) *Assignments of securities registered in name of natural guardian of minor.*—Securities registered in the name of a natural guardian of a minor may be assigned by the natural guardian for any authorized transaction except one for the apparent benefit of the natural guardian. If the natural guardian in whose name the

securities are registered is deceased or is no longer qualified to act as natural guardian, the securities may be assigned by the person then acting as natural guardian. The assignment by the new natural guardian should be supported by proof of the death or disqualification of the former natural guardian and by evidence of his own status as natural guardian. (Form PD 2481 may be used for this purpose.) No assignment by a natural guardian will be accepted after receipt of notice of the minor's attainment of majority, removal of his disability of minority, disqualification of the natural guardian to act as such, qualification of a legal guardian or similar representative, or the death of the minor.

(c) *Assignments by voluntary guardians of incompetents.*—Registered securities belonging to an incompetent for whose estate no legal guardian or similar representative is legally qualified may be assigned by the relative responsible for his care and support or some other person as voluntary guardian:

(1) For redemption or exchange for bearer securities, if the proceeds of the securities are necessary and will be used for the care and support of the incompetent or that of his legal dependents and the total face amount of such securities for which redemption or exchange is requested in any 90-day period does not exceed $1,000.

(2) For redemption-exchange, if the securities are matured or have been called, or pursuant to an advance refunding offer, for reinvestment in other securities to be registered in the form "A, an incompetent (000-00-0000), under voluntary guardianship."

An application on Form PD 1461 by the person seeking authority to act as voluntary guardian will be required.

(d) *Assignments by legal guardians of minors or incompetents.*—Securities registered in the name and title of the legal guardian or similar representative of the estate of a minor or incompetent may be assigned by the representative for any authorized transaction without proof of his qualification. Assignments by a representative of any other securities belonging to a minor or incompetent must be supported by properly certified evidence of qualification. The evidence must be dated not more than one year before the date of the assignments and must contain a statement showing the appointment is in full force unless it shows the appointment was made not more than one year before the date of the assignment or the representative or a corepresentative is a corporation. An assignment by the representative will not be accepted after receipt of notice of termination of the guardianship, except for transfer to the former ward.

Sec. 306.58. *Nontransferable securities.*—The provisions of this subpart, so far as applicable, govern transactions in Treasury Bonds, Investment Series B–1975–80.

SUBPART H—ASSIGNMENTS IN BEHALF OF ESTATES OF DECEASED OWNERS

Sec. 306.65. *In course of administration.*—A security belonging to the estate of a decedent which is being administered by a duly qualified executor or general administrator will be accepted for any authorized transaction upon assignment by such representative. If the security is not registered in the name and title of the representative, the assignment must be supported by a certificate or a copy of the letters of appointment, under court seal. The certificate or certification, if required, must be dated not more than six months before the date of the assignment and must contain a statement that the appointment is in full force, unless (a) it shows the appointment was made not more than one year before the date of the assignment, or (b) the representative or a corepresentative is a corporation, or (c) redemption is being made for application of the proceeds in payment of Federal estate taxes as provided by sec. 306.28.

Sec. 306.66. *Temporary or special administrators.*—Temporary or special administrators may assign securities for any authorized transaction within the scope of their authority. The assignments must be supported by:

(a) *Temporary administrators.*—A certificate, under court seal, showing the appointment in full force within thirty days preceding the date of receipt of the securities.

(b) *Special administrators.*—A certificate, under court seal, showing the appointment in full force within six months preceding the date of receipt of the securities.

Authority for assignments for transactions not within the scope of appointment must be established by a duly certified copy of a special order of court.

Sec. 306.67. *After settlement through court proceedings.*—Securities belonging to the estate of a decedent which has been settled will be accepted for any author-

ized transaction upon assignments by the person or persons entitled, as determined by the court. The assignments should be supported by a copy, certified under court seal, of the decree of distribution, the representative's final account as approved by the court, or similar court records.

Sec. 306.68. *Without administration.*—When it appears that no legal representative of an estate to which securities belong has been or is to be appointed, the securities may be duly disposed of pursuant to an agreement and assignment by all persons entitled to share in the securities under the laws of the State of the decedent's domicile. (Form PD 1646 may be used.) However, all debts of the decedent and his estate must be paid or provided for and the interests of any minors or incompetents in the estate must be protected.

Sec. 306.69. *Special provisions applicable to small amounts of securities, interest checks, or redemption checks.*—Entitlement to, or the authority to dispose of, a small amount of public debt securities and checks issued in payment thereof or in payment of interest thereon, belonging to the estate of a decedent, may be established through the use of certain short forms, according to the aggregate amount of securities and checks involved (excluding checks representing interest on the securities), as indicated by the following table:

Amount	Circumstances	Form	To be executed by—
$100	No administration	PD 2216	Person who paid burial expenses.
500	Estate being administered	PD 2488	Executor or administrator.
500	Estate settled	PD 2458A	Former executor or administrator, attorney or other qualified person.

Sec. 306.70. *Nontransferable securities.*—The provisions of this subpart, so far as applicable, govern transactions in Treasury Bonds, Investment Series B-1975-80.

SUBPART I—ASSIGNMENTS BY OR IN BEHALF OF TRUSTEES AND SIMILAR FIDUCIARIES

Sec. 306.75. *Individual fiduciaries.*—Securities registered in, or assigned to, the names and titles of individual fiduciaries will be accepted for any authorized transaction upon assignment by the designated fiduciaries without proof of their qualification. If the fiduciaries in whose names the securities are registered, or to whom they have been assigned, have been succeeded by other fiduciaries, evidence of successorship must be furnished. If the appointment of a successor is not required under the terms of the trust instrument or otherwise and is not contemplated, assignments by the surviving or remaining fiduciary or fiduciaries must be supported by appropriate proof. This requires (a) proof of the death, resignation, removal, or disqualification of the former fiduciary and (b) evidence that the surviving or remaining fiduciary or fiduciaries are fully qualified to administer the fiduciary estate, which may be in the form of a certificate by them showing the appointment of a successor has not been applied for, is not contemplated and is not necessary under the terms of the trust instrument or otherwise. Assignments of securities registered in the titles, without the names of the fiduciaries, for example, "Trustees of the George E. White Memorial Scholarship Fund under deed of trust dated 11/10/40, executed by John W. White," must be supported by proof that the assignors are the qualified and acting trustees of the designated trust estate, unless they are empowered to act as a unit in which case the provisions of sec. 306.76 shall apply. (Form PD 2446 may be used to furnish proof of incumbency of fiduciaries.) Assignments by fiduciaries of securities not registered or assigned in such manner as to show that they belong to the estate for which the assignors are acting must also be supported by evidence that the estate is entitled to the securities.

Sec. 306.76. *Fiduciaries acting as a unit.*—If the fiduciaries of any trust estate, public or private, constitute a board, committee or other body empowered to act as a unit, securities registered in its name, or assigned to it, may be assigned for any authorized transaction by anyone authorized to act in its behalf. Except as otherwise provided in this section, the assignments must be supported by a copy of a resolution adopted by the body, properly certified under its seal, or, if none, sworn to by a member of the body having access to its records. (Form PD 2495 may be used.) If the person assigning is designated in the resolution by title only, his incumbency must be duly certified by another member of the

body. (Form PD 2446 may be used.) If the fiduciaries of any trust estate are empowered to act as a unit, although not designated as a board, committee, or other body, securities registered in their names or assigned to them as such, or in their titles without their names, may be assigned by anyone authorized by the group to act in its behalf. Such assignments may be supported by a sworn copy of a resolution adopted by the group in accordance with the terms of the trust instrument, and proof of their authority to act as a unit may be required. As an alternative, assignments by all the fiduciaries, supported by proof of their incumbency if not named on the securities, will be accepted.

Sec. 306.77. *Corepresentatives and fiduciaries.*—If there are two or more executors, administrators, guardians, or similar representatives, or trustees of an estate, all must unite in the assignment of any securities belonging to the estate. However, when a statute, a decree of court, or the instrument under which the representatives or fiduciaries are acting provides otherwise, assignments in accordance with their authority will be accepted. If the securities have matured or been called and are submitted for redemption for the account of all, or for redemption-exchange or pursuant to an advance refunding offer and the securities offered in exchange are to be registered in the names of all, only one representative or fiduciary need execute the assignment.

Sec. 306.78. *Nontransferable securities.*—The provisions of this subpart, so far as applicable, govern assignments of Treasury Bonds, Investment Series B–1975–80.

SUBPART J—ASSIGNMENTS IN BEHALF OF PRIVATE OR PUBLIC ORGANIZATIONS

Sec. 306.85. *Private corporations and unincorporated associations.*—Securities registered in the name of, or assigned to, an unincorporated association, or a private corporation in its own right or in a representative or fiduciary capacity, may be assigned in its behalf for any authorized transaction by any duly authorized officer or officers. Evidence, in the form of a resolution of the governing body, authorizing the assigning officer to assign, or to sell, or to otherwise dispose of the securities will ordinarily be required to support assignments. Resolutions may relate to any or all registered securities owned by the organization or held by it in a representative or fiduciary capacity. (Form PD 1009 or 1010, or any substantially similar form, may be used for securities owned by an organization in its own right; Form PD 1011 or 1012, or any substantially similar form, may be used for securities held in a representative or fiduciary capacity.) If the officer or officers derive their authority from the charter, constitution, or bylaws, a copy or a pertinent extract therefrom, properly certified, will be required in lieu of a resolution. If the resolution or other supporting document shows only the title of the authorized officer, without his name, it must be supplemented by a certificate of incumbency. (Form PD 1014 may be used.)

Sec. 306.86. *Change of name and succession of private organizations.*—If a private corporation or unincorporated association changes its name or is lawfully succeeded by another corporation or unincorporated association, its securities may be assigned in behalf of the organization in its new name or that of its successor by an authorized officer in accordance with sec. 306.85. The assignment must be supported by evidence of the change of name or successorship.

Sec. 306.87. *Partnerships.*—An assignment of a security registered in the name of or assigned to a partnership must be executed by a general partner. Upon dissolution of a partnership, assignment by all living partners and by the persons entitled to assign in behalf of any deceased partner's estate will be required unless the laws of the jurisdiction authorize a general partner to bind the partnership by any act appropriate for winding up partnership affairs. In those cases where assignments by or in behalf of all partners are required this fact must be shown in the assignment; otherwise, an affidavit by a former general partner must be furnished identifying all the persons who had been partners immediately prior to dissolution. Upon voluntary dissolution, for any jurisdiction where a general partner may not act in winding up partnership affairs, an assignment by a liquidating partner, as such, must be supported by a duly executed agreement among the partners appointing the liquidating partner.

Sec. 306.88. *Political entities and public corporations.*—Securities registered in the name of, or assigned to, a State, county, city, town, village, school district, or other political entity, public body or corporation, may be assigned by a duly authorized officer, supported by evidence of his authority.

Sec. 306.89. *Public officers.*—Securities registered in the name of, or assigned to, a public officer, designated by title, may be assigned by such officer, supported

by evidence of incumbency. Assignments for the officer's own apparent individual benefit will not be recognized.

Sec. 306.90. *Nontransferable securities.*—The provisions of this subpart apply to Treasury Bonds, Investment Series B–1975–80.

SUBPART K—ATTORNEYS IN FACT

Sec. 306.91. *Attorneys in fact.*

(a) *General.*—Assignments by an attorney in fact will be recognized if supported by an adequate power of attorney. Every power must be executed in the presence of an authorized witnessing officer. The original power, or a photocopy certified by an authorized witnessing officer, must be filed with the Treasury Department. An assignment by a substituted attorney in fact must be supported by an authorizing power of attorney and power of substitution. An assignment by an attorney in fact or a substituted attorney in fact for the apparent benefit of either will not be accepted unless expressly authorized. (Form PD 1001, 1002, 1003, or 1004, as appropriate, may be used to appoint an attorney in fact. An attorney in fact may use Form PD 1006 or 1008 to appoint a substitute. However, any form sufficient in substance may be used.) If there are two or more joint attorneys in fact or substitutes, less than all may assign for redemption for the account of the owner, or for redemption-exchange, or pursuant to an advance refunding offer provided the new securities are to be registered in the owner's name. Otherwise, all must unite in the assignment unless the power authorizes less than all to act. A power of attorney or of substitution not coupled with an interest will be recognized until the Bureau receives proof of revocation or proof of the grantor's death or incompetency.

(b) *For legal representatives or fiduciaries.*—Assignments by an attorney in fact or substitute attorney in fact for a legal representative or fiduciary, in addition to the power of attorney and of substitution, must be supported by evidence, if any, as required by secs. 306.57(d), 306.65, 306.75, and 306.76. Powers must specifically designate the securities to be assigned.

(c) *For corporation or unincorporated association.*—Assignments by an attorney in fact or a substitute attorney in fact in behalf of a corporation or unincorporated association, in addition to the power of attorney and power of substitution, must be supported by one of the following documents certified under seal of the organization, or, if it has no seal, sworn to by an officer who has access to the records:

(1) A copy of the resolution of the governing body authorizing an officer to appoint an attorney in fact, with power of substitution if pertinent, to assign, or to sell, or to otherwise dispose of, the securities, or

(2) A copy of the charter, constitution, or bylaws, or a pertinent extract therefrom, showing the authority of an officer to appoint an attorney in fact, or

(3) A copy of the resolution of the governing body directly appointing an attorney in fact.

If the resolution or other supporting document shows only the title of the authorized officer, without his name, a certificate of incumbency must also be furnished. (Form PD 1014 may be used.) The power may not be broader than the resolution or other authority.

(d) *For public corporations.*—A general power of attorney in behalf of a public corporation will be recognized only if it is authorized by statute.

Sec. 306.92. *Nontransferable securities.*—The provisions of this subpart shall apply to nontransferable securities, subject only to the limitations imposed by the terms of the particular issues.

SUBPART L—TRANSFER THROUGH JUDICIAL PROCEEDINGS

Sec. 306.95. *Transferable securities.*—The Department will recognize valid judicial proceedings affecting the ownership of or interest in transferable securities, *upon presentation of the securities together with evidence of the proceedings.* In the case of securities registered in the names of two or more persons, the extent of their respective interests in the securities must be determined by the court in proceedings to which they are parties or must otherwise be validly established.[1]

Sec. 306.96. *Evidence required.*—Copies of a final judgment, decree, or order of court and of any necessary supplementary proceedings must be submitted. Assignments by a trustee in bankruptcy or a receiver of an insolvent's estate

[1] A finder claiming the ownership of a bearer security or a registered security assigned in blank or so assigned as to become, in effect, payable to bearer, must perfect his title in accordance with the provisions of State law. If there are no such provisions, the Department will not recognize his title to the security.

must be supported by evidence of his qualification. Assignments by a receiver in equity or a similar court officer must be supported by a copy of an order authorizing him to assign, or to sell, or to otherwise dispose of, the securities. Where the documents are dated more than six months prior to presentation of the securities, there must also be submitted a certificate dated within six months of presentation of the securities, showing the judgment, decree or order, or evidence of qualification, is in full force. Any such evidence must be certified under court seal.

Sec. 306.97. *Nontransferable securities.*

(a) *Treasury Bonds, Investment Series A–1965.*—The provisions of this subpart shall apply to bonds of this series, except that reference to assignments shall be deemed only to refer to requests for payment. With the exception of a trustee in bankruptcy or a receiver of an insolvent's estate, payment will be limited to the redemption value current thirty days after termination of the judicial proceedings or current at the time the bonds are surrendered for redemption, whichever is less. No judicial proceedings will be recognized if they would give effect to an attempted voluntary transfer inter vivos of the bonds.

(b) *Treasury Bonds, Investment Series B–1975–80.*—The provisions of this subpart shall apply to bonds of this series, except that prior to maturity any reference to assignments shall be deemed to refer to assignments of the bonds for exchange for the current series of 1½ percent 5-year EA or EO Treasury notes.

SUBPART M—REQUESTS FOR SUSPENSION OF TRANSACTIONS

Sec. 306.100. *Requests for suspension of transactions in securities.*

(a) *Registered securities.*

(1) *Reports of loss, theft, or destruction of registered securities.*—Reports of lost, stolen, or destroyed registered securities not so assigned as to become, in effect, payable to bearer, will be accepted from the owner or his authorized agent at any time and records will be maintained of the reports. If such a registered security is presented to the Department, the owner will be duly advised and given all available information.

(2) *Reports of assignments affected by fraud.*—The Department reserves the right to suspend any transaction in a registered security bearing an apparently valid assignment, if prior to the time it is received in the Department a report is received from and a claim is filed by an assignor that his assignment was affected by fraud. The interested parties will be notified of the suspension and given a reasonable period of time within which to effect settlement by agreement or institute judicial proceedings. If subsequent to the time the Department has transferred, exchanged, or redeemed a registered security in reliance on an apparently valid assignment, a report or claim is received that the assignment was affected by fraud, the Department will undertake only to furnish all available information.

(3) *Reports of forged assignments.*—If it is claimed that the assignment of a registered security is a forgery, the Department will investigate the matter and if it is established that the assignment was forged and the owner did not authorize or ratify the assignment, or receive any benefits therefrom, the Department will recognize his ownership and grant appropriate relief.

(b) *Bearer securities or registered securities so assigned as to become, in effect, payable to bearer.*

(1) *Securities not overdue.*—Neither the Department nor any of its agents will accept notice of any claim or of pending judicial proceedings by any person for the purpose of suspending transactions in bearer securities, or registered securities so assigned as to become, in effect, payable to bearer which are not overdue as defined in sec. 306.25.[1] However, if the securities are received and

[1] It has been the longstanding policy of the Department to assume no responsibility for the protection of bearer securities not in the possession of persons claiming rights therein and to give no effect to any notice of such claims. This policy was formalized on Apr. 27, 1867, when the Secretary of the Treasury issued the following statement:

"In consequence of the increasing trouble, wholly without practical benefit, arising from notices which are constantly received at the Department respecting the loss of coupon bonds, which are payable to bearer, and of Treasury notes issued and remaining in blank at the time of loss, it becomes necessary to give this public notice, that the Government can not protect and will not undertake to protect the owners of such bonds and notes against the consequences of their own fault or misfortune.

"Hereafter all bonds, notes, and coupons, payable to bearer, and Treasury notes issued and remaining in blank, will be paid to the party presenting them in pursuance of the regulations of the Department, in the course of regular business; and no attention will be paid to caveats which may be filed for the purpose of preventing such payment."

retired, the Department will undertake to notify persons who appear to be entitled to any available information concerning the source from which the securities were received.

(2) *Overdue securities.*—Reports that bearer securities, or registered securities so assigned as to become, in effect, payable to bearer, were lost, stolen, or possibly destroyed *after* they became overdue as defined in sec. 306.25 will be accepted by the Bureau for the purpose of suspending redemption of the securities if the person claiming ownership thereof establishes his interest. If the securities are presented, their redemption will be suspended and the presenter and the claimant will each be given an opportunity to establish ownership.

SUBPART N—CLAIMS ON ACCOUNT OF LOSS, THEFT, DESTRUCTION, MUTILATION, OR DEFACEMENT OF SECURITIES

Sec. 306.105. *Statutory authority and requirements.*—Section 8 of the Act of July 8, 1937 (50 Stat. 481), as amended (31 U.S.C. 738a), provides for relief, under certain conditions, on account of the loss, theft, destruction, mutilation, or defacement of United States interest-bearing securities. To obtain relief the security must be fully identified and the pertinent facts proved to the satisfaction of the Secretary of the Treasury, and generally, a bond of indemnity in such form and with such surety, sureties or security as may be required to protect the interests of the United States, must be filed.

Sec. 306.106. *Reports of loss, theft, destruction, mutilation, or defacement of securities.*

(a) *Loss or theft.*—Report of the loss or theft of a security should be made promptly to the Bureau. The report should include:

(1) The name and present address of the owner, and his address at the time the security was issued, and, if the report is made by any other person, the capacity in which he represents the owner;

(2) The identification of the security by title of loan, issue date, interest rate, serial number and denomination, and in the case of a registered security, the exact form of inscription and a full description of any assignment, endorsement, or other writing thereon; and

(3) A statement of the circumstances.

(b) *Destruction, mutilation, or defacement.*—If a security is destroyed, or becomes so mutilated or defaced as to impair its value to the owner, a report of the circumstances, as outlined in paragraph (a), must be made to the Bureau. All available portions of the mutilated or defaced security must also be submitted. In any appropriate case, a form for use in applying for relief will be furnished.

Sec. 306.107. *Relief authorized for lost, stolen, destroyed, mutilated, or defaced securities.*

(a) *Registered securities.*—Relief will be granted for a registered security not assigned in blank or not so assigned as to become, in effect, payable to bearer, when it has been established that the security has been lost, stolen, destroyed, mutilated or defaced. Relief will be granted in the same manner for bearer securities restrictively endorsed in accordance with the provisions of the current revision of Department Circular No. 853.

(b) *Bearer securities or registered securities so assigned as to become, in effect, payable to bearer.*—Relief will be granted for bearer securities and registered securities so assigned as to become, in effect, payable to bearer, proved to have been destroyed, mutilated, or defaced. Relief will also be granted for such securities if they were lost or stolen under such circumstances and have been missing for such period of time after they have matured or become redeemable pursuant to a call for redemption as in the judgment of the Secretary of the Treasury establishes that they (1) have been destroyed or have become irretrievably lost, (2) are not held by any person as his own property, and (3) will never become the basis of a valid claim against the United States.

(c) *Interest coupons.*—Relief will be granted for interest coupons only when it is established they were attached to a security at the time they were destroyed, mutilated, or defaced.

Sec. 306.108. *Type of relief granted.*—When relief is authorized for a lost, stolen, destroyed, mutilated, or defaced security, it will be granted by either (a)

the issue of a substitute marked "Duplicate," bearing the same issue date and showing the serial number of the original security, if the security for which relief is being granted has not matured or become redeemable pursuant to a call, or (b) payment, if the security has matured or become redeemable pursuant to a call. When a substitute is issued to replace a destroyed, mutilated, or defaced coupon security it will have attached all coupons corresponding to those proved to have been attached thereto at the time of the mishap, except that any matured coupons will not be attached but will be paid by check. Relief will not be granted in any case before the expiration of six months from date of loss or theft.

Sec. 306.109. *Nontransferable securities.*—The provisions of this subpart shall apply to all nontransferable securities, other than United States savings bonds, subject only to the limitations imposed by the terms of the particular issues.

SUBPART O—MISCELLANEOUS PROVISIONS

Sec. 306.115. *Additional requirements.*—In any case or any class of cases arising under these regulations the Secretary of the Treasury may require such additional evidence and a bond of indemnity with or without surety, as may in his judgment be necessary for the protection of the interests of the United States.

Sec. 306.116. *Waiver of regulations.*—The Secretary of the Treasury reserves the right, in his discretion, to waive or modify any provision or provisions of these regulations in any particular case or class of cases for the convenience of the United States or in order to relieve any person or persons of unnecessary hardship, if such action is not inconsistent with law, does not impair any existing rights, and he is satisfied that such action would not subject the United States to any substantial expense or liability.

Sec. 306.117. *Preservation of existing rights.*—Nothing contained in this circular shall limit or restrict any existing rights which holders of securities heretofore issued may have acquired under the circulars offering such securities for sale or under the regulations in force at the time of acquisition.

Sec. 306.118. *Supplements, amendments, or revisions.*—The Secretary of the Treasury may at any time, or from time to time, prescribe additional, supplemental, amendatory, or revised regulations with respect to United States securities.

(Signed) DOUGLAS DILLON,
Secretary of the Treasury.

Appendix.—Computation of Interest on Treasury Bonds, Treasury Notes, and Treasury Certificates of Indebtedness, and Computation of Discount on Treasury Bills

Treasury Bonds, Treasury Notes, and Treasury Certificates of Indebtedness

COMPUTATION OF INTEREST ON A SEMIANNUAL BASIS
ONE DAY'S INTEREST IS 1/181, 1/182, 1/183, OR 1/184 OF 1/2 YEAR'S INTEREST

Computation of interest will be made on a semiannual basis in all cases where interest is payable for one or more full half-year (6 months) periods, or for one or more full half-year periods and a fractional part of a half-year period. A semiannual interest period is an exact half-year or 6 months, for computation purposes, and may comprise 181, 182, 183, or 184 actual days.

An exact half-year's interest at the specified rate is computed for each full period of exactly 6 months, irrespective of the actual number of days in the half-year.

If the initial interest covers a fractional part of a half-year, computation is made on the basis of the actual number of days in the half-year (exactly 6 months) ending on the day such initial interest becomes due. If the initial interest covers a period in excess of 6 months, computation is made on the basis of one full half-year period, ending with the interest due date, and a fractional part of the preceding full half-year period.

Interest for any fractional part of a full half-year period is computed on the basis of the exact number of days in the full period, including February 29 whenever it falls within such a period.

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The number of days in any half-year period is shown in the following table:

For the half year		Number of days	
Beginning from the 1st or 15th day of—	Ending on the 1st or 15th day of—	Regular year	Leap year
January	July	181	182
February	August	181	182
March	September	184	184
April	October	183	183
May	November	184	184
June	December	183	183
July	January	184	184
August	February	184	184
September	March	181	182
October	April	182	183
November	May	181	182
December	June	182	183
One year (any 2 consecutive half-years)		365	366

Use of Interest Table

In the attached table decimals are set forth for use in computing interest for fractional parts of interest periods. The decimals cover interest on $1,000 for one day in each possible semiannual interest period, at all rates of interest, in steps of ⅛ percent, from ⅛ to 6 percent. The amount of interest accruing on any date (for a fractional part of an interest period) on $1,000 face amount of any issue of Treasury bonds, Treasury notes, or Treasury certificates of indebtedness may be ascertained in the following way:

(1) The date of issue, the dates for the payment of interest, and the rate of interest (percent per annum) may be determined from the text of the security, or from the official circular governing the issue.

(2) Determine the interest period of which the fraction is a part, and calculate the number of days in the full period to determine the proper column to be used in selecting the decimal for one day's interest.

(3) Calculate the actual number of days in the fractional period *from* but not including the date of issue or the day on which the last preceding interest payment was made, *to* and including the day on which the next succeeding interest payment is due or the day as of which the transaction which terminates the accrual of additional interest is effected.

(4) Multiply the appropriate decimal (one day's interest on $1,000) by the number of days in the fractional part of the interest period. The appropriate decimal will be found in the attached table opposite the rate borne by the security, and in the column showing the full interest period of which the fractional period is a part. (For interest on any other amount, multiply the amount of interest on $1,000 by the other amount expressed as a decimal of $1,000.)

TREASURY BILLS

The methods of computing discount rates on Treasury bills are given below:

Computation will be made on an annual basis in all cases. The annual period for bank discount is a year of 360 days, and all computations of such discount for a fractional part of a year will be made on that basis. The annual period for true discount is one full year from but not including the date of issue to and including the anniversary of such date. Computation of true discount for a fractional part of a year, will be made on the basis of 365 days in the year, or 366 days if February 29 falls within the year.

BANK DISCOUNT

The bank discount rate on a Treasury bill may be ascertained by (1) subtracting the sale price of the bill from its face value to obtain the amount of discount; (2) dividing the amount of discount by the number of days the bill is to run to obtain the amount of discount per day; (3) multiplying the amount of discount per day by 360 (the number of days in a commercial year of 12 months of 30 days each) to obtain the amount of discount per year; and (4) dividing the amount of discount per year by the face value of the bill to obtain the bank discount rate.

For example:
91-day bill—dated April 1, 1954—due July 1, 1954:

Principal amount—maturity value	$100.00
Price at issue—amount received	99.50
Amount of discount	.50

$0.50÷91×360÷$100=1.978 percent.

TRUE DISCOUNT

The true discount rate on a Treasury bill may be ascertained by (1 and 2) obtaining the amount of discount per day by following the first two steps described under "Bank Discount"; (3) multiplying the amount of discount per day by the actual number of days in the year from date of issue (365 ordinarily, but 366 if February 29th of a leap year falls within the year from date of issue) to obtain the amount of discount per year; and (4) dividing the amount of discount per year by the sale price of the bill to obtain the true discount rate.

For example:

91-day bill—dated April 1, 1954—due July 1, 1954:

Principal amount—maturity value	$100.00
Price at issue—amount received	99.50
Amount of discount	.50

$0.50÷91×365÷$99.50=2.016 percent.

Decimal for one day's interest on $1,000 at various rates of interest, payable semi-annually or on a semiannual basis, in regular years of 365 days and in leap years of 366 days

Rate per annum	Interest period ending on the 1st or 15th of—			
	Half-year of 184 days Regular year: January, February, September, November	Half-year of 183 days Regular year: October, December Leap year: April, June	Half-year of 182 days Regular year: April, June Leap year: March, May, July, August	Half-year of 181 days Regular year: March, May, July, August
Percent				
⅛	$0.003 396 739	$0.003 415 301	$0.003 434 066	$0.003 453 039
¼	.006 793 478	.006 830 601	.006 868 132	.006 906 077
⅜	.010 190 217	.010 245 902	.010 302 198	.010 359 116
½	.013 586 957	.013 661 202	.013 736 264	.013 812 155
⅝	.016 983 696	.017 076 503	.017 170 330	.017 265 193
¾	.020 380 435	.020 491 803	.020 604 396	.020 718 232
⅞	.023 777 174	.023 907 104	.024 038 462	.024 171 271
1	.027 173 913	.027 322 404	.027 472 527	.027 624 309
1⅛	.030 570 652	.030 737 705	.030 906 593	.031 077 348
1¼	.033 967 391	.034 153 005	.034 340 659	.034 530 387
1⅜	.037 364 130	.037 568 306	.037 774 725	.037 983 425
1½	.040 760 870	.040 983 607	.041 208 791	.041 436 464
1⅝	.044 157 609	.044 398 907	.044 642 857	.044 889 503
1¾	.047 554 348	.047 814 208	.048 076 923	.048 342 541
1⅞	.050 951 087	.051 229 508	.051 510 989	.051 795 580
2	.054 347 826	.054 644 809	.054 945 055	.055 248 619
2⅛	.057 744 565	.058 060 109	.058 379 121	.058 701 657
2¼	.061 141 304	.061 475 410	.061 813 187	.062 154 696
2⅜	.064 538 043	.064 890 710	.065 247 253	.065 607 735
2½	.067 934 783	.068 306 011	.068 681 319	.069 060 773
2⅝	.071 331 522	.071 721 311	.072 115 385	.072 513 812
2¾	.074 728 261	.075 136 612	.075 549 451	.075 966 851
2⅞	.078 125 000	.078 551 913	.078 983 516	.079 419 890
3	.081 521 739	.081 967 213	.082 417 582	.082 872 928
3⅛	.084 918 478	.085 382 514	.085 851 648	.086 325 967
3¼	.088 315 217	.088 797 814	.089 285 714	.089 779 006
3⅜	.091 711 957	.092 213 115	.092 719 780	.093 232 044
3½	.095 108 696	.095 628 415	.096 153 846	.096 685 083
3⅝	.098 505 435	.099 043 716	.099 587 912	.100 138 122
3¾	.101 902 174	.102 459 016	.103 021 978	.103 591 160
3⅞	.105 298 913	.105 874 317	.106 456 044	.107 044 199
4	.108 695 652	.109 289 617	.109 890 110	.110 497 238
4⅛	.112 092 391	.112 704 918	.113 324 176	.113 950 276
4¼	.115 489 130	.116 120 219	.116 758 242	.117 403 315
4⅜	.118 885 870	.119 535 519	.120 192 308	.120 856 354
4½	.122 282 609	.122 950 820	.123 626 374	.124 309 392
4⅝	.125 679 348	.126 366 120	.127 060 440	.127 762 431
4¾	.129 076 087	.129 781 421	.130 494 505	.131 215 470
4⅞	.132 472 826	.133 196 721	.133 928 571	.134 668 508
5	.135 869 565	.136 612 022	.137 362 637	.138 121 547
5⅛	.139 266 304	.140 027 322	.140 796 703	.141 574 586
5¼	.142 663 043	.143 442 623	.144 230 769	.145 027 624
5⅜	.146 059 783	.146 857 923	.147 664 835	.148 480 663
5½	.149 456 522	.150 273 224	.151 098 901	.151 933 702
5⅝	.152 853 261	.153 688 525	.154 532 967	.155 386 740
5¾	.156 250 000	.157 103 825	.157 967 033	.158 839 779
5⅞	.159 646 739	.160 519 126	.161 401 099	.162 292 818
6	.163 043 478	.163 934 426	.164 835 165	.165 745 856

EXHIBIT 11.—Department Circular No. 22–62, regulations governing the sale of Treasury bonds through competitive bidding

TREASURY DEPARTMENT,
Washington, December 17, 1962.

Department Circular, Public Debt Series No. 22–62, dated December 17, 1962 (31 CFR 340) is hereby issued, effective immediately.

Secs. 340.0 through 340.12 issued under authority of: R.S. 3706; 40 Stat. 288, 290, 1309; 48 Stat. 343; 50 Stat. 481; 31 U.S.C. 738a, 739, 752, 752a, 753, 754, 754a, and 754b.

SEC. 340.0. *Authority for sale of Treasury bonds through competitive bidding.*

The Secretary of the Treasury may, from time to time, by public notice, offer Treasury bonds for sale and invite bids therefor. The bonds so offered and the bids made will be subject to the terms and conditions and the rules and regulations herein set forth, except as they may be modified in the public notice or notices issued by the Secretary in connection with particular offerings.[1] The bonds will be subject also to the general rules and regulations of the Treasury Department, now or hereafter prescribed, governing United States securities. They will be issued pursuant to the authority of the Second Liberty Bond Act, as amended.

The terms "public notice," "notices," or "announcement" as used in this part mean the "Public Notice of Invitation to Bid" on Treasury bonds and any supplementary or amendatory notices or announcements with respect thereto, including, but not limited to, any statement released to the press by the Secretary of the Treasury and notices sent to those who have filed notices of intent to bid bor who have filed bids.

SEC. 340.1. *Public notice—description of bonds—terms of offer.*

When bonds are offered for sale through competitive bidding, bids therefor will be invited through the form of a public notice or notices issued by the Secretary of the Treasury. The notice or notices will either fix the coupon rate of interest to be borne by the bonds or prescribe the conditions under which bidders may specify the rate and will set forth the terms and conditions of the bonds, including maturities, call features, if any, and the terms and conditions of the offer, including the amount of the issue for which bids are invited, the date and closing hour for receipt of bids, and the date on which the bonds will be delivered and payment for any accepted bid must be completed. When so specified in the public notice, it shall be a condition of each bid that, if accepted by the Secretary of the Treasury, the bidder will make a *bona fide* reoffering to the investing public.

SEC. 340.2. *Denominations and exchanges.*

Bearer bonds with interest coupons attached, and bonds registered as to principal and interest, will be available in denominations of $500, $1,000, $5,000, $10,000, $100,000, and $1,000,000. Provisions will be made for the interchange of bonds of different denominations and of bearer and registered bonds, and for the transfer of registered bonds.

SEC. 340.3. *Taxation.*

The income derived from the bonds will be subject to all taxes imposed under the Internal Revenue Code of 1954. The bonds will be subject to estate, inheritance, gift, or other excise taxes, whether Federal or State, but will be exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority.

SEC. 340.4. *Acceptance as security for public deposits.*

The bonds will be acceptable to secure deposits of public moneys.

SEC. 340.5. *Notice of intent to bid.*

Any individual or organization, syndicate, or other group which intends to submit a bid, must, when required by the public notice, give written notice of such intent on Form PD 3555 at the place and within the time specified in the public notice. The filing of such notice will not constitute a commitment to bid.

SEC. 340.6. *Submission of bids.*

(a) *General.* Bids will be received only at the place specified and not later than the time designated in the public notice. Each bid must be submitted on the official form referred to in the public notice and should be enclosed and sealed in the special envelope provided by the Treasury Department. Forms and envelopes may be obtained from any Federal Reserve Bank or branch or the Bureau of

[1] These regulations do not apply to Treasury bills, which are governed by Department Circular No. 418, Revised, and do not constitute a specific offering of bonds.

the Public Debt, Treasury Department, Washington 25, D.C. Bids shall be irrevocable.

(b) *Bidding.* Bids, except noncompetitive bids when authorized, must be expressed as a percentage of the principal amount in not to exceed five decimals, *e.g.*, 100.01038 percent. Provisions relating to the coupon rate of interest on the bonds, if not set forth in the public notice, will be made in a supplemental announcement. The public notice will indicate the timing of any such announcement. If the bidders are required to specify the coupon rate, each bidder shall specify a single coupon rate of interest, which shall be a multiple of ⅛ of 1 percent but not in excess of 4¼ percent. The Secretary of the Treasury may limit the premium above or the discount below par.

(c) *Group bids.* A syndicate or other group submitting a bid must act through a representative who must be a member of the group. The representative must warrant to the Secretary of the Treasury that he has all necessary power and authority to act for each member and to bind the members jointly and severally. In addition to whatever other data may be required by the Secretary of the Treasury, in the case of a syndicate, the representative must file, within one hour after the time for opening bids, at the place specified in the public notice for receipt of bids a final statement of the composition of the syndicate membership and the amount of each member's underwriting participation.

SEC. 340.7. *Deposits—retention—return.*

Each bid must be accompanied by a deposit in the amount specified in the public notice. The deposit of any successful bidder will be retained as security for the performance of his obligation and will be applied toward payment of the bonds. All other deposits will be returned immediately. No interest will be allowed on account of any deposits.

SEC. 340.8. *Acceptance of bids.*

(a) *Opening of bids.* Bids will be opened at the time and place specified in the public notice.

(b) *Method of determining accepted bids.* The lowest basis cost of money [1] computed from the date of the bonds to the date of maturity will be used in determining successful bids.

(c) *Acceptance of successful bid.* The Secretary of the Treasury, or his representative, will notify any successful bidder of acceptance in the manner and form specified in the public notice.

SEC. 340.9. *Bids—revocations—rejections—postponements—reoffers.*

The Secretary of the Treasury, in his discretion, may (a) revoke the public notice of invitation to bid at any time before opening bids, (b) return all bids unopened either at or prior to the time specified for their opening, (c) reject any or all bids, (d) postpone the time for presentation and opening of bids, and (e) waive any immaterial or obvious defect in any bid. Any action the Secretary of the Treasury may take in these respects shall be final. In the event of a postponement, known bidders will be advised thereof and their bids returned unopened.

SEC. 340.10. *Payment for and delivery of bonds.*

Payment for the bonds, including accrued interest, if any, must be made in immediately available funds on the date and at the place specified in the invitation. Delivery of bonds under this section will be made at the risk and expense of the United States at such place or places in the United States as may be provided in the invitation. Interim receipts, if necessary, will be issued pending delivery of the definitive bonds.

SEC. 340.11. *Failure to complete transaction.*

If any successful bidder shall fail to pay in full for the bonds on the date and at the place specified in the invitation, the money deposited by or in behalf of such bidder shall be forfeited to the Treasury Department.

SEC. 340.12. *Reservations as to terms of circular.*

The Secretary of the Treasury reserves the right, at any time, or from time to time, to amend, repeal, supplement, revise, or withdraw all or any of the provisions of this circular.

DOUGLAS DILLON,
Secretary of the Treasury.

[1] In cases where bidders are required to specify the coupon rate, the lowest basis cost of money will be determined by reference to a specially prepared table of bond yields, a copy of which will be made available to all prospective bidders upon written request to the Federal Reserve Bank of New York, or the Bureau of the Public Debt, Treasury Department, Washington 25, D.C. Straight-line interpolation will be applied if necessary.

Exhibit 12.—Department Circular No. 1–63, regulations governing United States retirement plan bonds

Treasury Department,
Washington, January 10, 1963.

Sec. 341.0. *Offering of bonds.*—The Secretary of the Treasury, under the authority of the Second Liberty Bond Act, as amended, and pursuant to the Self-Employed Individuals Tax Retirement Act of 1962, offers for sale, effective as of January 1, 1963, bonds of the United States, designated as United States retirement plan bonds. The bonds will be available for investment only to (1) bond purchase plans and (2) pension and profit-sharing plans, as described in sections 405 and 401, respectively, of the Internal Revenue Code of 1954. This offering of bonds will continue until terminated by the Secretary of the Treasury.

Sec. 341.1. *Description of bonds*—(a) *Investment yield* (*interest*).—United States retirement plan bonds, hereinafter sometimes referred to as retirement plan bonds will be issued at par. The investment yield (interest) on the bonds will be 3¾ percent per annum, compounded semiannually, as set forth in the table of redemption values appended to this circular. Such interest will be paid only upon redemption of the bonds. The accrual of interest will continue until the bonds have been redeemed or have reached maturity, whichever is earlier, in accordance with these regulations.

(b) *Term.*—The maturity date of any bond issued under this circular shall be indeterminate, but unless sooner redeemed in accordance with these regulations, its investment yield will cease on the interest accrual date coinciding with, or, where no such coincidence occurs, the interest accrual date next preceding, the first day of the sixtieth (60th) month following the date of death of the person in whose name it is registered.

(c) *Denominations—issue date.*—Retirement plan bonds will be available only in registered form and in denominations of $50, $100, $500, and $1,000. At the time of issue, the issuing agent will enter in the upper right-hand portion of the bond the *issue date* (which shall be the first day of the month and year in which payment of the purchase price is received by an authorized issuing agent), and will imprint the agent's validating stamp in the lower right-hand portion. The issue date, as distinguished from the date in the agent's validating stamp, will determine the date from which interest will begin to accrue on the bond. A retirement plan bond shall be valid only if an authorized issuing agent receives payment therefor, duly inscribes, dates, stamps, and delivers it.

Sec. 341.2. *Registration.*—(a) *General.*—The registration of retirement plan bonds is limited to the names of natural persons in their own right, whether adults or minors, in either single ownership or beneficiary form. A bond registered in beneficiary form will be inscribed substantially as follows (for example): "John A. Doe payable on death to (*or* P.O.D.) Richard B. Roe." No more than one beneficiary may be designated on a bond.

(b) *Inscription.*—The inscription on the face of each bond will show the name, address, date of birth, and the social security account number of the registered owner, as well as information as to whether he is a self-employed individual or an employee, and the amount he contributed (if any) out of his own funds toward the purchase price of the bond. In the case of any self-employed individual (who is treated as an employee for the purpose of sections 405 and 401 of the Internal Revenue Code of 1954), this amount would be that portion of the purchase price he contributed (if any) as an employee and which he will not take into account in determining the amount deductible for Federal income tax purposes. The name of the beneficiary, if one is to be designated, will also be shown in the inscription.

Sec. 341.3. *Purchase of bonds.*—(a) *Agencies.*—Retirement plan bonds may be purchased over-the-counter or by mail from Federal Reserve Banks and branches and the Office of the Treasurer of the United States, Washington 25, D.C. Customers of commercial banks and trust companies may be able to arrange for the purchase of the bonds through such institutions, but only the Federal Reserve Banks and branches and the Treasurer's Office are authorized to act as official agencies, and the date of receipt of the application and payment by an official agency will govern the dating of the bonds issued.

(b) *Applications.*—Applications for the purchase of retirement plan bonds should be made on Form PD 3550, accompanied by a remittance to cover the purchase price. Personal checks will be accepted, subject to collection. Checks or other forms of exchange, should be drawn to the Federal Reserve Bank or

Treasurer of the United States, as the case may be. Checks payable by endorsement are not acceptable.

(c) *Delivery.*—Delivery of bonds will be made in person, or by mail at the risk and expense of the United States at the address given by the purchaser, but only within the United States, its territories and possessions, the Commonwealth of Puerto Rico, and the Canal Zone. No mail deliveries elsewhere will be made. If the registered owner temporarily resides abroad, the bonds will be delivered to such address in the United States as the purchaser directs.

SEC. 341.4. *Proof of purchase.*—At the time a retirement plan bond is issued, the issuing agent will furnish therewith to the purchaser, and in cases where the purchaser is different from the person in whose name the bond is inscribed, to the registered owner as well, proof of the purchase on Form PD 3550. The form will show the names and addresses of the purchaser and of the registered owner, the latter's date of birth, social security account number and his classification (i.e., self-employed individual or employee), the number of bonds issued, a description thereof by issue date, serial numbers, denominations, and registration, together with information as to the amount of his contributions (if any) toward the purchase price of the bonds.

SEC. 341.5. *Limitation on holdings.*—The limit on the amount of any retirement plan bonds issued during any one calendar year that may be purchased in the name of any one person as registered owner is $5,000 (face value).

SEC. 341.6. *Nontransferability.*—United States retirement plan bonds are not transferable, and may not be sold, discounted or pledged as collateral for a loan or as security for the performance of an obligation, or for any other purpose.

SEC. 341.7. *Judicial proceedings.*—No judicial determination will be recognized which would give effect to an attempted voluntary transfer inter vivos of a retirement plan bond. Otherwise, a claim against a registered owner will be recognized when established by valid judicial proceedings, but in no case will payment be made to the purchaser at a sale under a levy or to the officer authorized to levy upon the property of the owner under appropriate process to satisfy a money judgment unless or until the bond has become eligible for redemption pursuant to these regulations. Neither the Treasury Department nor any of its agencies will accept notices of adverse claims or of pending judicial proceedings or undertake to protect the interests of litigants who do not have possession of the bond.

SEC. 341.8. *Payment or redemption during lifetime of owner.*—(a) *At age 59½ or thereafter.*—A retirement plan bond will be redeemable at its current redemption value upon the request of the registered owner (or a person recognized as entitled to act on his behalf), provided he is 59½ years of age or older. The owner's age will be determined from the date of birth shown on the face of the bond, provided, however, that the Secretary of the Treasury reserves the right in any case or class of cases to require proof, in the form of a duly certified copy of his birth certificate, that the owner has attained the age of 59½ years. If such evidence is unavailable, one of the following documents may be furnished in lieu thereof:

(1) Church records of birth or baptism
(2) Hospital birth record or certificate
(3) Physician's or midwife's birth record
(4) Certification of Bible or other family record
(5) Military, naturalization, or immigration records
(6) Other evidence of probative value

Similar documentary evidence will also be required to support any claim made by an owner that the date of birth shown on his bond is incorrect.

(b) *Prior to age 59½ years.*—A retirement plan bond will be paid at its then current redemption value upon a registered owner's request (or by a person recognized as entitled to act on his behalf) prior to his attainment of age 59½ years upon submission of a physician's statement or any similar evidence showing that the owner has become disabled to such an extent that he is unable to engage in any substantial, gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or to be of long-continued and indefinite duration. The following are examples of impairments which would ordinarily be considered as preventing substantial, gainful activity:

(1) Loss of use of two limbs.

(2) Certain progressive diseases which have resulted in the physical loss or atrophy of a limb, such as diabetes, multiple sclerosis, or Buerger's disease.

(3) Diseases of the heart, lungs, or blood vessels which have resulted in major loss of heart or lung reserve as evidenced by X-ray, electrocardiogram, or other

objective findings, so that despite medical treatment breathlessness, pain, or fatigue is produced on slight exertion, such as walking several blocks, using public transportation, or doing small chores.

(4) Cancer which is inoperable and progressive.

(5) Damage to the brain or brain abnormality which has resulted in severe loss of judgment, intellect, orientation, or memory.

(6) Mental diseases (e.g., psychosis or severe psychoneurosis) requiring continued institutionalization or constant supervision of the individual.

(7) Loss or diminution of vision to the extent that the affected individual has a central visual acuity of no better than 20/200 in the better eye after best correction, or has a limitation in the fields of vision such that the widest diameter of the visual fields subtends an angle no greater than 20 degrees.

(8) Permanent and total loss of speech.

(9) Total deafness uncorrectible by a hearing aid.

In any case coming under the provisions of this paragraph, the evidence referred to above must be submitted to the Bureau of the Public Debt, Division of Loans and Currency, Washington 25, D.C., for approval before any bonds may be paid. If, after review of the evidence, the Secretary of the Treasury is satisfied that the owner's disability has been established, a letter will be furnished authorizing payment of his retirement plan bonds. This letter must be presented each time any of the owner's bonds are submitted for payment to a Federal Reserve Bank or branch or to the Office of the Treasurer of the United States.

(c) *Requests for payment.*—(1) *By owner.*—When redemption of any retirement plan bond is desired by the registered owner under (a) above, it should be presented, with the request for payment on the back of the bond signed and duly certified, to a Federal Reserve Bank or branch or to the Office of the Treasurer of the United States, Washington 25, D.C. If payment is requested under (b) above, the letter described therein should accompany the bond.

(2) *By person other than owner.*—When redemption of any retirement plan bond is desired by the legal guardian, committee, conservator, or similar representative of the owner's estate under (a) above, it should be presented, with the request signed as described below, to a Federal Reserve Bank or branch or to the Office of the Treasurer of the United States. If payment is requested under (b) above, the letter described therein should accompany the bond.[1] The request for payment, in either case, should be signed by the representative in his fiduciary capacity before an authorized certifying officer, and must be supported by a certificate or a certified copy of the letters of the appointment from the court making the appointment, under seal, or other proof of qualification if the appointment was not made by a court. Except in the case of corporate fiduciaries, such evidence should state that the appointment is in full force and should be dated not more than one year prior to the presentation of the bond for payment.

(d) *Partial redemption.*—A retirement plan bond in a denomination greater than $50 (face value) which is otherwise eligible for redemption may be redeemed in part, at current redemption value, upon the request of the registered owner (or a person recognized as entitled to act on his behalf), but only in amounts corresponding to authorized denominations. In any case in which partial redemption is desired, before the request for payment is signed, the phrase "to the extent of $---- (face value) and reissue of the remainder" should be appended to the request. Upon partial redemption of the bond, the remainder will be reissued as of the original issue date. No partial redemption of a bond will be made after the death of the owner in whose name it is registered.

SEC. 341.9. *Payment or redemption after death of owner.*—(a) *Order of precedence where owner is not survived by beneficiary.*—If the registered owner of a retirement plan bond dies before it has been presented and surrendered for payment, and there is no beneficiary shown thereon, or if the designated beneficiary predeceased the owner, the bond shall be paid in the following order of precedence:

(1) To the duly appointed executor or administrator of the estate of the owner, who should sign the request for payment on the back of the bond in his representative capacity before an authorized certifying officer, such request to be supported by a court certificate or a certified copy of his letters of appointment, under seal

[1] In any case in which a legal representative has not been appointed for the estate of a registered owne who has attained the age of 59½ years, or who has become disabled, a person seeking payment of a bond on the owner's behalf should furnish a complete statement of the circumstances to the Bureau of the Public Debt, Division of Loans and Currency, Washington 25, D.C. Appropriate instructions will then be urnished.

of the court, which should show that the appointment is in full force and effect, and be dated within six months of its presentation;

(2) If no legal representative of the deceased registered owner's estate has been or will be appointed, to the widow or widower of the owner;

(3) If none of the above, to the child or children of the owner and the descendants of deceased children by representation;

(4) If none of the above, to the parents of the owner, or the survivor of them;

(5) If none of the above, to other next-of-kin of the owner, as determined by the laws of the domicile of such owner at the time of his death.

In any case coming under the provisions of this paragraph, a duly certified copy of the registered owner's death certificate will ordinarily be required. Proof of death of the beneficiary, if any, will be required where he predeceased the owner. Payment of bonds under (1) will be made by a Federal Reserve Bank or branch or by the Office of the Treasurer of the United States, Washington 25, D.C. Payment of bonds under (2) to (5) will be made upon receipt of applications on Form PD 3565, together with the bonds and supporting evidence, by the Bureau of the Public Debt, Division of Loans and Currency, Washington 25, D.C.

(b) *Order of precedence where beneficiary survived owner.*—If the registered owner of a retirement plan bond dies before it has been presented and surrendered for payment, and the beneficiary shown thereon survived the owner, the bond shall be paid in the following order of precedence:

(1) To the designated beneficiary upon his presentation and surrender of the bond with the request for payment signed and duly certified, such payment to be made to the exclusion of any other person who may have been named beneficiary by the registered owner in a bond purchase plan, or under a pension or profit-sharing plan;

(2) If the designated beneficiary survived the registered owner but failed to present the bond for payment during his own lifetime, payment will be made in the order of precedence specified in (1) to (5) of paragraph (a) above to the legal representative, surviving spouse, children, parents, or next-of-kin of such beneficiary, and in the manner provided therein.

In any case coming under the provisions of this paragraph, a duly certified copy of the registered owner's death certificate will ordinarily be required. Proof of death of the beneficiary will also be required where he survived the owner but failed to present the bond for payment during his own lifetime. Payment of a bond to a designated beneficiary will be made by a Federal Reserve Bank or branch or by the Treasurer of the United States, Washington 25, D.C.

(c) *Ownership of redemption proceeds.*—The orders of precedence set forth in (a) and (b) above, except in cases where redemption is made for the account of a registered owner, are for the Department's convenience in discharging its obligation on a retirement plan bond. The discharge of the obligation in accordance therewith shall be final so far as the Department is concerned, but those provisions do not otherwise purport to determine ownership of the redemption proceeds of a bond.

SEC. 341.10. *Reissue.*—(a) *Addition or change of beneficiary.*—A retirement plan bond will be reissued to add a beneficiary in the case of a single ownership bond, or to eliminate or substitute a beneficiary in the case of a bond registered in beneficiary form upon the owner's request on Form PD 3564. No consent will be required to support any reissue transaction from a beneficiary whose name is to be removed from the registration of a retirement plan bond. If the registered owner dies after the bond has been presented and surrendered for reissue, upon receipt of notice thereof by the agency to which the request for reissue was submitted, such request shall be treated as ineffective, provided the notice of death is received by the Federal Reserve Bank or branch or the Office of the Treasurer of the United States, Washington 25, D.C., to which the request was sent, in sufficient time to withhold delivery, by mail or otherwise, of the reissued bond.

(b) *Error in issue—change of name.*—Reissue of a retirement plan bond will be made where an error in issue has occurred, as well as in cases where the owner's name has been changed by marriage, divorce, annulment, order of court, or in any other legal manner, upon appropriate request, supported by satisfactory evidence. Information as to the procedure to be followed in securing such reissue may be obtained from a Federal Reserve Bank or the Office of the Treasurer of the United States, Washington 25, D.C.

SEC. 341.11. *Use of power of attorney.*—No designation of an attorney, agent, or other representative to request payment or reissue on behalf of the owner,

beneficiary, or other person entitled under section 341.9, other than as provided in these regulations, will be recognized.

Sec. 341.12. *Lost, stolen, or destroyed bonds.*—If a retirement plan bond is lost, stolen, or destroyed, a substitute may be issued upon identification of the bond and proof of its loss, theft, or destruction. A description of the bond by denomination, serial number, issue date and registration should be furnished at the time the report of loss, theft, or destruction is made. Such reports should be sent to the Bureau of the Public Debt, Division of Loans and Currency, Washington 25, D.C. Full instructions for obtaining substitute bonds will then be given.

Sec. 341.13. *Taxation.*—The tax treatment provided under section 405 of the Internal Revenue Code of 1954 shall apply to all retirement plan bonds. The bonds are subject to estate, inheritance, or other excise taxes, whether Federal or State, but are exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, municipality, or any local taxing authority. Inquiries concerning the application of any Federal tax to these bonds should be directed to the District Director of Internal Revenue of the taxpayer's district or to the Internal Revenue Service, Washington 25, D.C.

Sec. 341.14. *Certifying officers.*—Officers authorized to certify requests for payment or for any other transaction involving retirement plan bonds include:

(a) *Post offices.*—Any postmaster, acting postmaster, or inspector-in-charge, or other post office official or clerk designated for that purpose. A post office official or clerk, other than a postmaster, acting postmaster, or inspector-in-charge, should certify in the name of the postmaster or acting postmaster, followed by his own signature and official title. Signatures of these officers should be authenticated by a legible imprint of the post office dating stamp.

(b) *Banks and trust companies.*—Any officer of a Federal Reserve Bank or branch, or of a bank or trust company charted under the laws of the United States or those of any State, Commonwealth, or Territory of the United States, as well as any employees of such bank or trust company expressly authorized to act for that purpose, who should sign over the title "Designated Employee." Certifications by any of these officers or designated employees should be authenticated by either a legible imprint of the corporate seal, or, where the institution is an authorized issuing agent for United States savings bonds, Series E, by a legible imprint of its dating stamp.

(c) *Issuing agents of Series E savings bonds.*—Any officer of a corporation or any other organization which is an authorized issuing agent for United States savings bonds, Series E. All certifications by such officers must be authenticated by a legible imprint of the issuing agent's dating stamp.

(d) *Foreign countries.*—In a foreign country requests may be signed in the presence of and be certified by any United States diplomatic or consular representative, or the manager or other officer of a foreign branch of a bank or trust company incorporated in the United States whose signature is attested by an imprint of the corporate seal or is certified to the Treasury Department. If such an officer is not available, requests may be signed in the presence of and be certified by a notary or other officer authorized to administer oaths, but his official character and jurisdiction should be certified by a United States diplomatic or consular officer under seal of his office.

(e) *Special provisions.*—The Commissioner of the Public Debt, the Chief of the Division of Loans and Currency, or any Federal Reserve Bank or Branch is authorized to make special provision for certification in any particular case or class of cases where none of the officers authorized above is readily accessible.

Sec. 341.15. *General provisions.*—(a) *Regulations.*—All retirement plan bonds shall be subject to the general regulations prescribed by the Secretary with respect to United States securities, which are set forth in Treasury Department Circular No. 300, current revision, to the extent applicable. Copies of the general regulations may be obtained upon request from any Federal Reserve Bank or branch or the Office of the Treasurer of the United States.

(b) *Reservation as to issue of bonds.*—The Secretary of the Treasury reserves the right to reject any application for the purchase of retirement plan bonds, in whole or in part, and to refuse to issue or permit to be issued any such bonds in any case or any class or classes of cases if he deems such action to be in the public interest, and his action in any such respect shall be final.

(c) *Additional requirements.*—In any case or any class of cases arising under this circular the Secretary of the Treasury may require such additional evidence as may in his judgment be necessary, and may require a bond of indemnity, with

or without surety, where he may consider such bond necessary for the protection of the United States.

(d) *Waiver of requirements.*—The Secretary of the Treasury reserves the right, in his discretion, to waive or modify any provision or provisions of this circular in any particular case or class of cases for the convenience of the United States, or in order to relieve any person or persons of unnecessary hardship, if such action is not inconsistent with law, does not impair any existing rights, and he is satisfied that such action would not subject the United States to any substantial expense or liability.

(e) *Fiscal agents.*—Federal Reserve Banks and branches, as fiscal agents of the United States, are authorized to perform such services as may be requested of them by the Secretary of the Treasury in connection with the issue, delivery, redemption, reissue, and payment of retirement plan bonds.

(f) *Reservation as to terms of circular.*—The Secretary of the Treasury may at any time, or from time to time, supplement or amend the terms of this circular, or any amendments or supplements thereto.

DOUGLAS DILLON,
Secretary of the Treasury.

Table of redemption values providing an investment yield of 3¾ percent per annum for bonds bearing issue dates beginning January 1, 1963

Table shows how the retirement plan bonds bearing issue dates beginning January 1, 1963, by denomination, increase in redemption value during successive half-year periods following issue. The redemption values have been determined to provide an investment yield of 3.75 percent [1] per annum, compounded semiannually, on the purchase price from issue date to the beginning of each half-year period. The period to maturity is indeterminate in accordance with the provisions of sec. 341.1(b) of this circular.[2]

Issue price	$50.00	$100.00	$500.00	$1,000.00
Period after issue date	Redemption values during each half-year period (values increase on first day of period shown)			
First ½ year	$50.00	$100.00	$500.00	$1,000.00
½ to 1 year	50.94	101.88	509.38	1,018.75
1 to 1½ years	51.89	103.79	518.93	1,037.85
1½ to 2 years	52.87	105.73	528.66	1,057.31
2 to 2½ years	53.86	107.71	538.57	1,077.14
2½ to 3 years	54.87	109.73	548.67	1,097.33
3 to 3½ years	55.90	111.79	558.95	1,117.91
3½ to 4 years	56.94	113.89	569.43	1,138.87
4 to 4½ years	58.01	116.02	580.11	1,160.22
4½ to 5 years	59.10	118.20	590.99	1,181.98
5 to 5½ years	60.21	120.41	602.07	1,204.14
5½ to 6 years	61.34	122.67	613.36	1,226.72
6 to 6½ years	62.49	124.97	624.86	1,249.72
6½ to 7 years	63.66	127.31	636.57	1,273.15
7 to 7½ years	64.85	129.70	648.51	1,297.02
7½ to 8 years	66.07	132.13	660.67	1,321.34
8 to 8½ years	67.31	134.61	673.06	1,346.11
8½ to 9 years	68.57	137.14	685.68	1,371.35
9 to 9½ years	69.85	139.71	698.53	1,397.07
9½ to 10 years	71.16	142.33	711.63	1,423.26
10 to 10½ years	72.50	144.99	724.97	1,449.95
10½ to 11 years	73.86	147.71	738.57	1,477.13
11 to 11½ years	75.24	150.48	752.42	1,504.83
11½ to 12 years	76.65	153.30	766.52	1,533.05
12 to 12½ years	78.09	156.18	780.90	1,561.79
12½ to 13 years	79.55	159.11	795.54	1,591.07
13 to 13½ years	81.05	162.09	810.45	1,620.91
13½ to 14 years	82.56	165.13	825.65	1,651.30
14 to 14½ years	84.11	168.23	841.13	1,682.26
14½ to 15 years	85.69	171.38	856.90	1,713.80
15 to 15½ years	87.30	174.59	872.97	1,745.94
15½ to 16 years	88.93	177.87	889.34	1,778.67
16 to 16½ years	90.60	181.20	906.01	1,812.02
16½ to 17 years	92.30	184.60	923.00	1,846.00
17 to 17½ years	94.03	188.06	940.31	1,880.61
17½ to 18 years	95.79	191.59	957.94	1,915.87
18 to 18½ years	97.59	195.18	975.90	1,951.80
18½ to 19 years	99.42	198.84	994.20	1,988.39
19 to 19½ years	101.28	202.57	1,012.84	2,025.67
19½ to 20 years	103.18	206.37	1,031.83	2,063.66
20 to 20½ years [2]	105.12	210.23	1,051.17	2,102.35

[1] Based on redemption values of $1,000 bond.

[2] At a future date prior to Jan. 1, 1983 (20 years after issue date of the first bonds) this table will be extended to show redemption values for periods of holding of 20½ years and beyond.

Legislation

EXHIBIT 13.—An act to increase temporarily the public debt limit set forth in section 21 of the Second Liberty Bond Act

[Public Law 88-30, 88th Congress, H.R. 6009, May 29, 1963]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the public debt limit set forth in the first sentence of section 21 of the Second Liberty Bond Act, as amended (31 U.S.C. 757b), shall be temporarily increased—

Public debt limit. Temporary increases. 72 Stat. 1758.

(1) during the period beginning on the date of the enactment of this Act and ending on June 30, 1963, to $307,000,000,000, and

(2) during the period beginning on July 1, 1963, and ending on August 31, 1963, to $309,000,000,000.

During the period ending on June 30, 1963, the limit provided by paragraph (1) shall be in lieu of the limits provided by the Act of July 1, 1962 (Public Law 87-512; 76 Stat. 124).

Approved May 29, 1963.

Financial Policy

EXHIBIT 14.—Statement by Secretary of the Treasury Dillon, January 31, 1963, before the Joint Economic Committee

The recent performance of the American economy has already been reviewed in the Economic Message of the President and in the Report and testimony of the Council of Economic Advisers. The compelling and overriding theme of their remarks can be simply stated.

The need for faster growth

1962 was, against the background of recent experience, a good year. Employment, output, and incomes all reached new records. Almost two years after the last recession, the economy appears free of those excesses and imbalances that in the past have signaled a new downturn. Virtual price stability has been maintained throughout the expansion period. And, despite the substantially higher level of imports generated by rising business activity, the pattern of increasingly large deficits in our balance of payments that characterized the years 1958-1960 has been reversed.

Nevertheless, our recovery since early 1961, reassuring as it has been, has not achieved the kind of decisive transition to dynamic, self-reinforcing growth that is well within our means. The past five years have left us with a residue of unemployment that a recovery of only normal proportions cannot eliminate. Excess productive capacity and pressures on profits continue to chill the incentives to invest and expand upon which our economic vitality depends. Not only has our progress at home been limited, but also our ability to provide expanded markets for other nations struggling to find the means for a better life within a framework of individual freedom. At the same time, the deficit in our international payments has remained uncomfortably large.

We want to increase our rate of economic growth and improve our living standards because it is basic to our way of life. We are concerned that too many of our citizens are unemployed, that others do not have a fair share of the national prosperity, that there are depressed economic areas, that our economy is not growing as fast as others. We are not willing to accept these as inevitable and we believe a combination of appropriate Government policies and private initiative, consistent with our political and economic traditions, can help to ease these problems.

Our difficulties are not those of crisis—a sharp domestic recession—an unmanageable drain of international reserves—an early relapse into inflation. Rather, the problem lies in a gradual accumulation of deficiencies over a period of years, each interacting with the other to retard our progress. Slow growth and less-than-capacity operations inevitably dull incentives to invest, encourage inefficient "make work" practices, and lead to pressures on unit costs and profit margins. In this setting, investment opportunities abroad, within the borders of our rapidly growing foreign competitors, become magnets to American capital,

burdening our balance of payments today and diverting potential new jobs and efficient productive facilities from our shores. And, in terms of the Federal budget, our underemployed economy is not able to generate the revenues needed to cover the costs of Government, even though increases in spending for fiscal 1964 are being held to the essentials of national security, space, and interest payments.

The link between our domestic and balance-of-payments goals

One lesson of the past five years is that our goals of domestic growth and external balance cannot safely be separated. We live in an open economy, an economy whose performance powerfully influences our trading partners, rich and poor alike, and which is itself subject to strong competitive pressures from abroad. Our growth, or failure to grow, the efficiency with which we produce, the climate for domestic investment, and our success in achieving price stability all affect the flows of goods and capital between nations. And the strength and stability of our currency concern every nation with a stake in freely-flowing trade and a durable international payments system, for side by side with gold itself, the dollar serves the free world as its chief reserve and trading currency.

The continuing need to reconcile our domestic and international objectives sometimes limits the kind and scope of specific actions that we can take in pursuit of one goal or the other. But fundamentally these goals need not be incompatible; indeed, they can reinforce each other. Faster growth at home and an efficient industry, able to pour out the new products eagerly sought in world markets, both depend upon a higher level of domestic investment, incorporating the latest technology and exploiting the fruits of new research. A dynamic domestic economy, alive with new and profitable investment opportunities, is ultimately the only way—consistent with our free market system—by which we can discourage excessive outflows of capital and attract funds from abroad. Price stability is essential both to broaden our export markets and to achieve balanced growth at home.

The continuing challenge before us is to seek out and apply that blend of practical policies that, taken together, promise to support both our domestic and international objectives. This requires, first of all, a clear appraisal of existing trends, not just for recent months or the past year, but for a long enough period to appreciate the underlying forces at work in the economy. It is in this longer perspective that the performance of the past year, while gratifying in many respects, has demonstrated the need for new approaches.

The key role of investment

One fact that stands out in our recent experience has been the sluggishness of business investment—the kind of spending that both generates current income and enlarges our productive potential. This is true in relation to both our earlier postwar record and that of our aggressive foreign competitors. To be sure, business spending for plant and equipment rose by 9 percent in 1962. But the gains slowed appreciably after the early months of recovery and, in dollar volume, outlays barely surpassed levels reached as long ago as 1957. In real terms, spending is actually below earlier peaks. We have been adding to our capital stock at a rate of little more than 1½ percent per year since 1957, well below the amounts that are needed to support a vigorously growing economy. Moreover, businessmen, once the threat of a steel strike was eliminated early last year, have followed increasingly cautious inventory policies, adding to stocks only where clearly needed to support their current level of sales.

The explanation for these conservative business policies is not hard to find. With many industries faced for some time with more capacity than they could effectively use, and with profit margins under pressure over a period of years, businessmen understandably have confined their investment spending largely to those replacement and modernization projects offering clear and prompt cost advantages. With fast deliveries assured, and with constantly improving methods of inventory control allowing smaller inventories to serve a given level of demand, ncentives for adding to their volume have been weak.

These investment and inventory practices, rooted in the experience of the past five years, are one reason why the danger of serious recession in the months ahead appears remote. But, in an economy with a growing labor force and steady increases in worker productivity, we cannot be satisfied with stability or creeping advance. And the fact of the matter is that we need, and could effectively

utilize at a high level of employment, much more investment than has been forthcoming.

Much of the difficulty lies in an absence of sufficiently strong and assured markets—markets more in line with our potential capacity to produce. After five years of inadequate progress we cannot confidently sit back in the hopes that such markets will appear spontaneously, without the encouragement of fresh incentives and the release of new purchasing power.

Residential housing, for instance, had a good year in 1962, helped by the prevailing ease of mortgage credit. But, it would be unrealistic to expect, within the limits set by family formation and current income levels, that that sector can supply the further expansionary drive that is needed. Government expenditures, at all levels, are also rising, but not appreciably faster than current tax rates are draining income from other sectors of the economy. To permit expenditures to rise further, in areas of less than compelling need, merely as a means of expanding demand would clearly violate important considerations of public policy. Finally, consumers—accounting for two-thirds of our whole gross national product—have regularly been spending a normal share of their aftertax incomes. Further increases in their outlays can be expected, but only as we generate a rise in income and employment from other sources.

The tax program and debt management

We have at our command an instrument that will permit us to cut through this impasse. A broad consensus has developed among leaders from all sectors of our economy that fresh incentives for investment, for risk-taking, and for personal effort—supported by the release of additional purchasing power through tax reduction—offers a practicable means for breaking through the sluggish performance of recent years to achieve the difficult transition to sustained and self-reinforcing prosperity. This consensus is embodied in the program of tax reduction and reform that the President presented to the Congress last week, and that lies at the core of our economic and financial policy. I shall be testifying on that program in detail before the House Ways and Means Committee next week, and am not in a position to treat the specifics at length here today. Rather, I would like to consider the program in the perspective of the overall financial policy of this administration, for tax reduction, however vital, can be only a part of a well-conceived financial program for the mid-1960's.

Ultimately, one result of our proposed tax program will be a higher level of Federal revenues than can reasonably be expected if we continue to hold back our productive power with a tax structure that saps initiative and drains off such a large fraction of income that reasonably full employment becomes an ever receding mirage. The reason is very simple—revenues reflect not only the level of tax rates, but also the level of incomes to which they are applied. Our own experience—most recently following the 1954 tax reduction—shows that this kind of stimulus to an idling economy can be the surest path to vigorous expansion and budgetary balance. And the record of the past five years also demonstrates the futility of deferring action in the hope that some other stimulus, always just beyond the visible horizon, can do the job.

None of us can be happy with the temporary increase in the deficit that our tax program implies for fiscal 1964, although I should point out that the estimated net revenue loss of $2.7 billion is small when compared to the $9.2 billion deficit that we face in any event as a consequence of the failure of our economy to achieve reasonably full capacity operation. The phasing of the full program over three years, but with enactment in a single package, is designed to minimize the transitional deficit, before balance can be restored, without delaying the impact on business incentives. And I am confident that we will be able to manage a deficit of the magnitude we foresee without endangering either our record of price stability or our balance-of-payments position, just as we have successfully financed our deficits of the past two years.

We have been aided in that task by a rising flow of savings that individuals and businesses have been willing to commit to investment for a substantial period of time. Almost all the deficit in 1962 was financed outside the banking system. Moreover, the increase in outstanding Government securities maturing in more than five years was substantially greater than the total rise in the public debt. Under the circumstances, it was possible to achieve this progress toward restructuring and funding the marketable debt—symbolized by a 7½ percent increase in its average maturity—without diverting funds from productive use elsewhere

in the economy. In fact, most long-term interest rates drifted down below their recession lows over the course of the year.

As we move ahead in financing the deficit, we will remain alert to the need to maintain a debt structure that will not contribute to inflationary pressures as full employment is restored. This will require distribution of the debt among the various maturity areas and investor groups in a manner that avoids excessive liquidity, either in the form of new money creation or short-term Treasury securities.

Of course, at a time of unemployment and excess capacity like the present, the use of short-term securities or commercial bank financing is fully justified in appropriate amounts. A growing economy needs more money and other liquid assets, and short-term Government issues may help to fill these needs. The compelling policy requirement—and the guide that we have consistently observed—is to insure that the growth of liquidity instruments of all kinds does not run ahead of the ability of the economy to absorb them without inflation.

While hard and fast mechanical rules cannot be set down in advance, this guide implies a continuing need to tap longer-term savings—either directly, or through the complex of savings institutions—for a portion of the funds required to finance our forthcoming deficit. We are fortunate, in approaching this task, that techniques have been developed that permit us to raise funds in the intermediate- and longer-term sectors of the market with a minimum of disturbance to other borrowers. I am thinking partly of our advance refundings, which have now been tested and found useful in six instances over the course of two Administrations. I am also thinking of our recent experience in auctioning long-term bonds through competing syndicates of security dealers—an experiment that owes much to the continuing interest and support of Senator Douglas. I am happy to report that our initial venture in selling $250 million of long-term bonds by that means was highly successful in achieving a wide distribution of the new securities, in this instance at an interest cost virtually equivalent to the prevailing yield for comparable outstanding securities. While it is still too soon to permit a judgment concerning the ultimate role of this new technique within our total debt management program, the initial success provides every reason for further testing from time to time as market conditions and our own objectives make that desirable.

Financing the transitional deficit

It is sometimes argued that, to the extent we tap savings in financing the deficit, the desired stimulus from our tax program will be offset—that we will, in effect, take back with one hand the money that we provide with the other. This oversimplified account of the financing process overlooks several important considerations. First of all, however the deficit is financed, it will leave untouched the spur to the economy from the greater incentives for productive effort and new investment brought on by tax rate reduction. Equally important, there is every reason to believe that, until we return closer to full employment, the flow of longer-term investment funds generated by rising levels of business activity will exceed the combined borrowing requirements of individuals, businesses, and State and local governments, just as has been the case over the last two years.

An increased volume of savings will not require decisions to reduce spending by business or consumers, but rather will flow from higher incomes. The act of saving may itself be the end product of a long sequence of prior spending decisions, each of which will tend to add to the level of business activity and the incomes of workers. The taxpayer himself, when he devotes part of his tax saving to purchases of goods or services, will be only the first link in this chain of spending, income generation, and saving that lies at the heart of the expansionary process. Under these circumstances, it is quite possible and practicable for the Government to absorb some of the new savings for its own use, without bringing undesirable upward pressures on interest rates or diverting funds from use in other investment channels.

As the economy reaches full employment, and potential savings can be fully and productively employed in financing our expanding private economy, the situation becomes quite different. Then it is quite true that wedging Government bonds into an already taut capital market will raise interest rates and curtail private spending. And, in a potentially inflationary situation, that might be appropriate. Even more to the point, that would clearly be a situation in which Government policies should be directed toward budgetary balance and surplus,

thereby restraining demand and (through debt retirement) releasing funds for productive use by other sectors of the economy. I am confident that, as the economy does reach its full potential, the tax rates we are proposing will in fact generate revenues adequate to cover the essential expenditures of Government.

The course of interest rates in the months ahead will be affected less by Treasury debt management decisions than by the course of the economy itself, and by the policies of the Federal Reserve in response to emerging developments both domestically and in our balance of payments.

Whatever the future may bring in this respect, it is clear that easy money and ample availability of credit has been a major factor supporting the economy throughout this period of expansion, and remains so today. Seldom in our history—certainly not since World War II—have most long-term interest rates actually declined during a recovery period. I was interested to see recently a report that the larger New York banks charged an average of $\frac{1}{8}$–$\frac{1}{4}$ percent less per annum for new term loans in 1962 than was the case a year earlier—a striking reflection of the downward pressures on the rate structure and aggressiveness of banks in seeking out new borrowers, even while the so-called prime rate remained unchanged. The record volume of mortgage financing in 1962—coming at a time in the expansion period when tight money has often sharply curtailed homebuilding—is another sign of the really unique character of this period.

Tax policy and the balance of payments

The continuing need for striking an appropriate balance between domestic and external considerations in the execution of debt management and monetary policies will not be fundamentally changed by our tax proposals. However, we have developed the tax program so as to reduce the possibility of serious conflicts arising. For one thing, it will take on a good part of the burden for encouraging expansion that is being borne by monetary policy, thereby easing the problems of the monetary authorities should they one day find themselves compelled to deal more vigorously with the balance of payments.

Equally important, the stimulus to domestic investment, the new incentives for cost-cutting and modernization, the encouragement for industrial research, and the higher profits implicit in the tax program will support and reinforce our more specific efforts to deal with the balance-of-payments problem. Some capital that is now inclined to seek employment abroad will find new opportunities opening up in this country. The productivity of our industry should be reinforced, bettering our competitive posture in markets at home and abroad. Our leadership in research and its application to industrial products—products that account for a large portion of our total exports—will also be further bolstered.

To realize these potential benefits for our balance of payments, it remains critically important that we maintain price stability. The wage and price guideposts reiterated in the Report of the Council of Economic Advisers clearly set forth the general standards by which price and wage decisions may appropriately be evaluated from the standpoint of the public interest. The increases in take-home pay and profits implicit in our tax program should make it easier for both sides to accept wage settlements and to make pricing decisions that lie well within these guideposts, effectively supporting our goal of price stability.

Balance-of-payments results

One of the disappointments of the past year has been the relatively slow improvement in our balance of payments. The preliminary figures presently available, indicating that our overall deficit remained somewhat over $2 billion, demonstrate conclusively that we must seek out and apply even more vigorously measures specifically aimed at restoring lasting equilibrium in our international accounts.

With merchandise imports rising by $1.6 billion last year, the moderate progress recorded in reducing our deficit from the $2½ billion in 1961 was possible only because the concerted efforts to stem the dollar drains directly associated with Government activities have begun to bear fruit. Most importantly, net military spending overseas declined by almost $600 million (on the basis of incomplete data), reflecting offsetting purchases of military goods and services by our allies. The vigorous efforts to economize on our own military spending overseas merely served to hold the overall total level while absorbing the costs of larger forces and higher foreign price levels. Prepayments of loans by France, Italy, and Sweden amounted to over $650 million, approximately comparable to our 1961 receipts from this source. A larger proportion of our aid to the less-developed countries

was directly reflected in purchases in this country, and fully three-quarters of this fiscal year's new AID commitments will result in American exports in coming years.

Further savings in Government spending overseas are clearly necessary. I am confident that they will emerge as the new Government-wide control system for international transactions, established within the Bureau of the Budget, becomes fully effective as an administrative device for budgeting our foreign exchange outlays.

Improvement developed in other directions as well. Commercial exports rose moderately, despite slower growth in Europe—our most rapidly expanding export market. The steady increase in earnings on our overseas investment provided a factor of long-term strength. Short-term capital outflows, which had reached exceptionally high levels in 1960 and 1961, declined, although they still remain a major factor in our payments difficulties. These outflows, including items not specifically recorded in our balance-of-payments statistics, accounted for approximately 70 percent of our total deficit as compared to about 80 percent in 1961.

Last year's deficit resulted in a gold loss of $890 million as compared to $857 million in 1961. Toward the end of last year, and continuing into early 1963, ten weeks passed in which there was no net decline in our gold stock. This situation could not be expected to continue in the face of our payments deficit, and the gold outflow resumed in January. Further moderate outflows can be expected in the coming weeks and months.

The improvement in our balance of payments thus far is simply not good enough if we are to maintain a strong dollar and fulfill our basic commitments for aid and defense. The hard job of searching out and penetrating new foreign markets has only begun and the President has therefore proposed a sharp step-up in our export expansion program. Our long-term capital exports continue to reflect the absence of effective alternatives abroad to our own well-developed capital markets, as well as the inadequate investment opportunities at home. And the burdens of aid and defense must be more equitably shared.

Strengthening the international payments system

We cannot take comfort in the thought that an easy solution can be found in some new monetary arrangement that will shield us from the necessity for taking corrective action. Any effective monetary arrangement necessarily presupposes, not balance every year, but an ability and willingness to avoid large and continuing deficits, as well as the full confidence of a group of willing lenders.

We need a stable monetary system, resistant to the strains and shocks that can quickly develop as a result of sudden and massive flows of funds between countries, and capable of meeting the needs of a growing world economy for international liquidity and access to credit. During the past year, we have made great strides toward strengthening the existing system. The prompt ratification and implementation of the special IMF borrowing arrangement—making available in time of demonstrated need a pool of up to $6 billion of convertible currencies—was a source of special gratification. Moreover, we have now tested in a wide variety of situations the usefulness of operations for our own account in both the spot and forward foreign exchange markets, of reciprocal currency agreements by the Federal Reserve with the monetary authorities of other industrialized countries, and of Treasury direct borrowing at short- and medium-term from other countries in a strong payments position. The effectiveness of these arrangements, supplementing the resources of the IMF itself, in meeting incipient strains of various kinds—whether directed against the dollar or other currencies—was demonstrated at the time of the stock market disturbances last spring, and again during the Canadian exchange crisis, and the Cuban situation. Similarly, the new cooperative arrangements in the London gold market have been helpful in dispelling a potentially speculative atmosphere, and the price of gold in that market declined toward the end of last year. For much of January, the price has been below $35.06, touching the lowest level since 1959.

No doubt there is room for further innovation and improvement in these areas. We are continuing to study these questions in cooperation with other interested countries. But no monetary mechanism can effectively substitute for the hard and continuing task of steadily improving our own balance of payments. The easy, obvious savings have already been made—the hard core of the deficit that remains will require the conscious effort and understanding of all groups in the economy, as well as the cooperation of our friends abroad who now find themselves in a strong position.

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In this connection, I was much interested in reading the report of your own subcommittee, chaired by Congressman Reuss, that recently made available a mass of valuable and provocative material on the balance of payments and related monetary arrangements. The emphasis in your own conclusions on the fundamental necessity for working with our allies to achieve a more equitable sharing of the burdens of defense and aid, with full recognition of the increased capacity and economic strength of other industrialized nations in recent years, seems to me entirely appropriate. And I also share your view that we can find no solution to our problems by simply multiplying guarantees for dollars in the hands of foreigners.

The need for price stability

But there is one sort of guarantee that is vitally necessary if we are to maintain the confidence of our friends abroad and successfully achieve our twin goals of domestic expansion and balance in our international accounts—that is a pledge that we will conduct our affairs in a manner that will maintain our recent record of price stability. That is why it is essential that we finance our deficit in a prudent way, with an eye toward the future as well as the present. That is why we need to maintain a flexible monetary policy, alert to developments as they emerge. And, above all, that is why it is so important that labor and business alike, as the stimulus from our tax program takes hold, continue to seek out more efficient methods of production and display restraint in their wage bargaining and pricing decisions.

This process should be greatly facilitated by the new incentives and the increases in aftertax incomes of individuals and business enterprises alike which will be provided by our tax program. It is in this context of responsible citizen action within a framework of effective public policy that tax reduction will be a boon to us all.

Public Debt Management

EXHIBIT 15.—Statement by Secretary of the Treasury Dillon, February 27, 1963, before the House Ways and Means Committee on the debt limit

The President in his Budget Message last January requested legislation which would extend the present $308 billion temporary debt limit through the remainder of the current fiscal year. I am here today to urge approval of this legislation. It is absolutely essential for the sound management of Government finances during the final quarter of the fiscal year.

The existing law provides that the temporary debt limit will drop from the present level of $308 billion to $305 billion beginning April 1, 1963, and from $305 billion to $300 billion beginning June 25, 1963. The debt limit will revert to the permanent level of $285 billion on July 1, 1963.

The graduated reductions scheduled for the debt limit in fiscal 1963 were designed to conform closely to the seasonal borrowing requirements of the Government under the assumption of a balanced budget.[1]

The single, most significant fact in this hearing is to emphasize that when the graduated reductions from the $308 billion level were originally established, it was universally agreed that they would not be feasible if we were to run a deficit of any substantial size in fiscal 1963.

The balanced budget assumption upon which these debt limit "step-downs" were based has, I regret to say, not been realized. As you all know, we are expecting a sizable deficit in fiscal 1963, an administrative budget deficit which was estimated in the President's Budget Message last month at $8.8 billion. This deficit was largely produced by the failure of the economy to attain the levels of economic activity which had been assumed when the President's Budget Message was presented in January 1962. Instead of the assumed gross national product of $570 billion in 1962, the actual figure came to only $554 billion. As a consequence of this slower-than-expected rate of economic expansion, we now expect fiscal 1963 revenues to be $4.8 billion lower than we had projected in January 1962. Various, partially offsetting refinements in our estimates, resulting from new and more up-to-date data, have reduced the revenue estimate by another $600 million.

[1] See 1962 annual report, pp. 290–296, "Statement by Secretary of the Treasury Dillon, June 26, 1962, before the Senate Finance Committee on the debt limit."

Finally, administrative changes in the depreciation provisions of the Revenue Code and the effects of the Revenue Act of 1962 have led to a further reduction of $2.1 billion in our revenue estimate. In sum, revenues are now estimated to be $7.5 billion lower than the January 1962 budget projection upon which the present temporary debt limit provisions were tailored.

Estimates for fiscal 1963 expenditures have also increased over last year's estimate. The increase is $1.8 billion over the figure in the January 1962 Budget Message. At the time of last year's debt ceiling hearings, additional proposals had been made involving an amount approximately offsetting the small surplus estimated in the January 1962 Budget document. The largest of these—for the accelerated public works program—was subsequently enacted and is estimated to require expenditures of $300 million in fiscal year 1963. The other expenditure increases, however, were not foreseen at the time of last year's hearings. The largest unexpected increases are: a rise of $895 million in expenditures on agriculture (over $400 million of which is attributable to the fact that the President's agricultural proposals were not enacted), and a $541 million increase in the cost of the postal service (stemming primarily from the fact that postal rate increases were effective January 7, 1963, rather than July 1, 1962, as proposed). These items, together with smaller increases and decreases in other programs, produced the estimated rise of $1.8 billion in total expenditures over the January 1962 estimates.

In short, the combined effect of a substantial reduction in revenues and a moderate increase in expenditures has led to the current estimate of an $8.8 billion deficit rather than the even balance upon which the present temporary debt limit legislation was based.

Last June, at the time of the debt limit hearings, with much evidence at hand that the rate of economic expansion was slowing down, it was apparent that the gross national product projection upon which we had based our revenue estimates was much less likely to be realized than we had thought in January. However, we did not have, at that time, an adequate basis for revising either the revenue or the expenditure estimates presented in the Budget Message. In the light of all of the uncertainties, both with respect to the future course of the economy and with respect to the future actions of the Congress, it was judged best to proceed with the request for a fiscal 1963 debt limit based on the assumption of a balanced budget, a judgment with which this committee specifically concurred.

Since it is now abundantly clear that a substantial deficit will be incurred in fiscal 1963, the scheduled reductions in the temporary debt limit cannot be permitted to occur. The bills are coming in; they must be paid.

An attached table clearly demonstrates that a $308 billion debt limit is the absolute, rock-bottom minimum needed to finance the operations of the Federal Government from now through June 30, 1963. This table was constructed on the basis of the same two assumptions used in last year's debt limit hearings: an operating cash balance of $4 billion and an allowance for flexibility and contingencies of $3 billion. The table shows that a $308 billion debt limit will not, in fact, provide us with anywhere near this margin for flexibility and contingencies during the remainder of fiscal 1963. In mid-June, the margin under a $308 billion debt limit will shrink to an extremely narrow $800 million. However, since we are nearing the end of the fiscal year, both revenues and expenditures are unlikely to vary substantially from current estimates, so we can afford to run the risk of what would otherwise be an unacceptably narrow margin. It is for this very simple and very compelling reason that I earnestly recommend the prompt approval by this committee of legislation extending the present $308 billion temporary debt limit through the remainder of this fiscal year.

Actual operating cash balance and public debt subject to limitation June 30, 1962–February 15, 1963, estimate based on constant operating cash balance of $4.0 billion (excluding free gold) February 28, 1963–June 30, 1963

[In billions, based on 1964 Budget document]

Date	Operating cash balance (excluding free gold)	Public debt subject to limitation	Allowance to provide flexibility in financing and for contingencies	Total public debt limitation required
Actual 1962				
June 30	$9.4	$298.2		
July 15	6.4	298.3		
July 31	5.5	297.9		
Aug. 15	6.2	299.7		
Aug. 31	7.7	301.9		
Sept. 15	5.3	301.8		
Sept. 30	8.3	299.6		
Oct. 15	7.8	302.9		
Oct. 31	5.7	302.2		
Nov. 15	5.0	304.7		
Nov. 30	6.3	305.5		
Dec. 15	3.5	303.9		
Dec. 31	6.7	303.6		
1963				
Jan. 15	4.4	304.2		
Jan. 31	4.5	303.6		
Feb. 15	4.4	304.1		
Estimated				
Feb. 28	4.0	302.5	$3.0	$305.5
Mar. 15	4.0	305.1	3.0	308.1
Mar. 31	4.0	300.5	3.0	303.5
Apr. 15	4.0	304.2	3.0	307.2
Apr. 30	4.0	303.4	3.0	306.4
May 15	4.0	303.7	3.0	306.7
May 31	4.0	304.4	3.0	307.4
June 15	4.0	307.2	3.0	310.2
June 30	4.0	302.5	3.0	305.5

Actual and estimated monthly budget receipts and expenditures and resulting end-of-month debt levels, fiscal year 1963

[In billions, based on 1964 Budget document]

Date	Budget receipts and expenditures			Net receipts of trust and clearing accounts and other transactions	Total to be financed	Financing means		Operating cash balances [2]	Debt subject to limitation	Allowance for flexibility and contingencies	Total debt limitation required [3]
	Net receipts [1]	Expenditures [1]	Surplus, or deficit (−)			Decrease in operating cash balances [2]	Increase in debt subject to limit				
Balance June 30, 1962								$9.4	$298.2		
Actual											
1962 July	$3.6	$7.3	−$3.7	$0.1	$3.6	$3.9	−$0.3	5.5	297.9		
August	7.1	8.5	−1.4	−.4	1.8	−2.2	4.0	7.7	301.9		
September	10.0	7.3	2.7	0.2	−2.9	−.6	−2.3	8.3	299.6		
October	3.0	8.5	−5.5	0.3	5.2	2.6	2.6	5.7	302.2		
November	7.0	8.1	−1.1	−1.6	2.7	−.6	3.3	6.3	305.5		
December	8.4	7.6	.8	1.5	−2.3	−.4	−1.9	6.7	303.6		
1963 January	5.5	8.0	−2.5	.3	2.2	2.2		4.5	303.6		
Estimated											
February	7.5	6.9	.6	(4)	−.6	.5	−1.1	4.0	302.5	$3.0	$305.5
March	9.3	7.7	1.6	.4	−2.0	(4)	−2.0	4.0	300.5	3.0	303.5
April	5.0	7.5	−2.5	−.4	2.9	(4)	2.9	4.0	303.4	3.0	306.4
May	7.4	7.8	−.4	−.6	1.0	(4)	1.0	4.0	304.4	3.0	307.4
June	11.7	9.1	2.6	−.7	−1.9	(4)	−1.9	4.0	302.5	3.0	305.5
Fiscal year 1963	85.5	94.3	−8.8	−.9	9.7	5.4	4.3				

[1] Totals based on 1964 Budget document. Monthly spread for February through June estimated by Treasury.
[2] Excluding free gold.
[3] At the mid-month points in March and June the requirements are $308.1 billion and $310.2 billion, respectively.
[4] Assuming $4.0 billion constant cash operating balance.

Exhibit 16.—Statement by Secretary of the Treasury Dillon, May 23, 1963, before the Senate Finance Committee on the debt limit

Under existing law, the temporary debt limit dropped from $308 billion to $305 billion on April 1, 1963, and is scheduled to decline to $300 billion on June 25, 1963. Should the existing temporary legislation be allowed to expire without further action, the debt ceiling would revert to the permanent level of $285 billion on July 1, 1963.

The graduated reductions established in the debt limit legislation for fiscal 1963 were specifically designed to take care of the seasonal borrowing requirements of the Government under the assumption of a balanced budget.

While the prospect of a balanced budget in the fiscal year 1963 was admittedly dubious at the time of last year's legislation, it did not appear practical to legislate on any other basis.[1]

Unfortunately, a balanced budget has not eventuated. As you are aware, the administrative budget deficit for fiscal 1963 was estimated in the January Budget Message at $8.8 billion. While the budget outlook for fiscal 1963 has improved somewhat since the January estimate, we still face a deficit in the neighborhood of $8 billion.

As a consequence of the substantial fiscal 1963 deficit, the graduated reductions in the debt limit cannot be permitted to run their course. Our present projections show that the debt will rise from the present level of $304.0 billion to $305.6 billion on May 31, a figure $600 million in excess of the present debt limit. From the May 31 level of $305.6 billion, the debt is projected to rise to $306.8 billion in the second week of June, a level $1.8 billion in excess of the present debt limit. On June 25, when the present temporary debt ceiling is scheduled to fall to $300 billion, our projections indicate that the debt will be $304.2 billion, $4.2 billion in excess of the limit. This would place the Treasury and the country in an impossible situation. On July 1, when the debt ceiling reverts to the permanent level of $285 billion, the debt is estimated at $305.3 billion, $20.3 billion in excess of the limit.

The present debt limit legislation was based on a premise which has not been realized. It is not consistent with the financial facts of life which the Treasury must face. It is, therefore, imperative that the debt limit be raised if the financial obligations of the United States, at home and abroad, are to be met.

Because of the short period of time involved in the debt limit extension provided by H.R. 6009, the Ways and Means Committee requested the Treasury to supply figures showing the estimated debt and cash balance for each day up through August 31st. These daily projections are the best estimates we can produce, but they cannot be considered highly reliable. Long experience has shown that actual daily receipts and expenditures can, and often do, vary from estimates by as much as several hundred million dollars in either direction. This is true of estimates looking ahead 30 days or less and, of course, would be far more likely in the case of daily estimates looking over three months into the future. For periods longer than 30 days, the type of semimonthly estimates we have furnished the Congress in the past would seem to be the most appropriate basis for assessing debt limit requirements. The daily estimates furnished to the House Committee at its request do, of course, indicate the general trend of the debt and the cash balance. Since the House action was based upon daily cash and debt figures through the end of August, I am including our latest daily estimates for this period as an attachment to this statement.

The temporary debt limits provided by H.R. 6009 are at the absolute minimum levels needed by the Treasury for the proper management of the debt and the Treasury's cash balance between now and the end of August. These proposed limits are tight, so tight that they provide little or no room for meeting unforeseen contingencies. The $307 billion debt limit provides only a $200 million leeway over our mid-June projected debt level of $306.8 billion. Our projections show the debt will actually exceed the $309 billion level during the last two days of August.

The limits in the House bill are lower than those we requested. Our request to the Ways and Means Committee was for $308 billion through June 30th and $310 billion thereafter. The committee reduced these figures by $1 billion each.

[1] See 1962 annual report, pp. 290–296, "Statement by Secretary of the Treasury Dillon, June 26, 1962 before the Senate Finance Committee on the debt limit".

We told the committee that, while we could not recommend the adoption of such tight figures, we would do our best to live with them.

I am here today to urge the approval of H.R. 6009, which would provide a $307 billion temporary debt limit through the end of the current fiscal year and a $309 billion debt limit for the period July 1 through August 31, the first two months of the fiscal year 1964.

For the past few years the Congress has, prior to the end of each fiscal year, authorized temporary debt ceilings for the entire ensuing fiscal year. H.R. 6009 departs from this custom by providing a limit that will expire on August 31st, after which the debt limit would, in the absence of further congressional action, return to its permanent level of $285 billion. The reason for this action is that estimates for the fiscal year 1964 must take account of the tax program presently before the Congress. The House of Representatives felt that the prospects for the tax program would be clearer by August. And, by then, the overall outline of fiscal 1964 appropriations will also be clearer. For these reasons it was felt that a decision on the level of next year's debt limit should be postponed until August.

In undertaking to operate within the very tight limits set forth in H.R. 6009, the Treasury is making three assumptions: (1) that we can have a reasonable degree of confidence in our expenditure estimates, since they cover a period only three and one-half months into the future; (2) that the likelihood is relatively small that our revenues will fall below the estimated levels; and (3) that, since Congress will be in session throughout the period covered by the legislation, it would be possible to obtain new debt limit legislation promptly, if it should be required, without the necessity of calling a special session of the Congress. For longer periods of time a more adequate allowance for contingencies would be required, and debt limits as tight as those provided in H.R. 6009 would not be acceptable.

The preservation of the financial integrity of the United States is the primary mission and responsibility of the Treasury. It is for this very reason that we cannot willingly accept a debt limit which is so restrictive as to make it impossible to handle the finances of the U.S. Government in a prudent and responsible manner.

No one is more conscious than I of the necessity of keeping the expenditures of the Federal Government under firm control. This objective cannot be attained, however, by exerting controls at the tag end of the expenditure process, when the bills which must be paid are coming due. The debt limit is not, and cannot be made, a substitute for control of expenditures at the decisive stage of the expenditure process—in the decisions on appropriations. A debt limit of $307 billion through June 30, 1963, and $309 billion from that date through August 31, 1963, will provide the absolute minimum degree of flexibility needed by the Treasury in handling the financial affairs of the Government. More restrictive debt limits than these would force the Treasury to resort to an array of unsound financial procedures of the sort which had to be used in 1957–58, procedures which, in the end, only add to the burdens of the taxpayers of this country. But apart from cost considerations, it is not in keeping with the status of the United States as banker to the free world to be placed in such a position. The financial community, both here and abroad, would be utterly dismayed should they find that the U.S. Treasury is no longer permitted to cope in a responsible manner with the routine requirements of fiscal affairs. The consequences of such a situation are fraught with danger for the safety and stability of the dollar.

It is for these reasons, which I believe are compelling, that I urge your prompt approval of H.R. 6009.

Estimated cash balance and debt subject to limit day-by-day May 1–August 31, 1963

[In billions of dollars]

Day	May 1963		June 1963		July 1963		August 1963	
	Cash balance (excluding gold)	Debt subject to limit	Cash balance (excluding gold)	Debt subject to limit	Cash balance (excluding gold)	Debt subject to limit	Cash balance (excluding gold)	Debt subject to limit
April 30	[1] 5.3	[1] 303.4	---------	---------	---------	---------	---------	---------
1	[1] 5.9	[1] 303.4	Saturday		8.1	305.3	4.9	306.4
2	[1] 6.6	[1] 303.5	Sunday		7.8	305.3	5.0	306.4
3	[1] 7.1	[1] 303.4	5.7	305.6	7.5	305.3	Saturday	
4	Saturday		5.2	305.6	Holiday		Sunday	
5	Sunday		4.8	305.6	7.0	305.2	5.0	306.4
6	[1] 6.7	[1] 303.4	4.3	305.6	Saturday		4.5	306.3
7	[1] 6.2	[1] 303.4	4.0	305.6	Sunday		4.2	306.3
8	[1] 6.2	[1] 303.4	Saturday		6.3	305.2	4.2	306.3
9	[1] 6.4	[1] 303.5	Sunday		5.8	305.2	4.2	306.3
10	[1] 6.4	[1] 303.5	3.6	305.6	5.5	305.2	Saturday	
11	Saturday		3.4	305.6	5.3	305.2	Sunday	
12	Sunday		4.5	306.8	5.2	305.2	4.2	306.3
13	[1] 6.5	[1] 303.5	4.5	306.8	Saturday		4.2	306.3
14	[1] 6.6	[1] 303.4	4.6	306.8	Sunday		4.5	306.3
15	[1] 5.8	[1] 303.0	Saturday		5.4	305.7	4.7	306.8
16	[1] 6.2	[1] 303.1	Sunday		5.2	305.5	5.1	306.8
17	[1] 6.7	[1] 303.1	4.7	306.8	5.1	305.4	Saturday	
18	Saturday		5.1	306.7	5.0	305.4	Sunday	
19	Sunday		5.8	306.3	6.7	307.2	5.3	306.8
20	[1] 7.1	[1] 303.1	6.9	305.7	Saturday		5.7	306.8
21	7.4	303.1	8.0	305.4	Sunday		6.0	306.8
22	7.5	303.0	Saturday		6.5	307.2	6.2	306.7
23	7.5	304.0	Sunday		6.2	307.2	6.3	306.7
24	7.4	304.0	7.7	304.3	6.0	307.3	Saturday	
25	Saturday		7.8	304.2	5.8	307.3	Sunday	
26	Sunday		8.1	304.1	5.7	307.3	6.2	307.7
27	7.0	304.0	8.3	304.0	Saturday		6.0	307.7
28	6.6	304.0	8.2	305.3	Sunday		5.8	308.6
29	6.4	305.2	Saturday		5.5	307.3	5.7	309.4
30	6.4	305.2	Sunday		5.4	307.5	7.1	310.0
31	6.2	305.6	---------	---------	5.4	306.4	Saturday	

[1] Actual.

EXHIBIT 17.—Remarks by Under Secretary of the Treasury for Monetary Affairs Roosa, October 2, 1962, at the annual convention of the Mortgage Bankers Association on debt management and the capital markets

A meeting of the Mortgage Bankers Association is a particularly appropriate forum for a discussion of debt management—the problems, the policies, and the results. For mortgage bankers and the managers of the Federal debt have a vital interest in common: a continuing concern with the state of the capital markets, with the forces of supply and demand at work in them, and with the behavior of interest rates that results from these forces.

The mortgage market is by far the largest single component of our long-term capital markets in this country. The net increase of mortgages outstanding in a single year consistently exceeds the entire outstanding total of all Federal debt in the 20-year-and-over maturity range. For example, after allowing for all repayments and refundings, your industry placed last year a volume of long-term debt that was larger than the total of long-term Federal debt now in existence as the combined and cumulative result of everything that all of the managers of the Federal debt have been able to accomplish in that area of the market since World War II. So I approach you very humbly, seeking both the sympathy and the suggestions of the successful.

I would like to review with you the range of varied objectives that we have to try to fulfill, and to reconcile, in managing a Federal debt that is distributed through all maturity sectors of the money and capital markets. And, in the light of that review, I will then trace through some of the results we have had in working toward those objectives during the past twenty months.

I.

The process of decision-making in debt management is complicated by the sheer number and diversity of objectives which we must pursue simultaneously. Some are the cost and efficiency considerations appropriate to any borrowing operation; some are peculiar to the inescapable fact that our operations must almost always be large; and some relate to the special responsibilities and opportunities inherent in any exercise of public policy. This means that anyone engaged in Federal debt management must, among other things, keep in mind the impact of any given Treasury debt operation on the liquidity needs of the domestic economy, on the long-term capital markets, on our balance-of-payments position, and on the interest cost of carrying the debt as a whole. Moreover, against the inexorable pressure of the passage of time, the debt manager must continually strive to turn over to his successor a suitably balanced debt structure.

Very broadly, these objectives of debt management may be divided between those that are more largely of a "housekeeping" character and those that are more closely related to the Government's economic policy.

One of the first on either list is the aim of minimizing interest costs and the burden of the debt on the taxpayer, to the fullest extent consistent with other compelling objectives. Another housekeeping aim is that of promoting and maintaining an active and broadly-based market for Government securities, not only in the interest of the Treasury and of investors in Government securities, but also in the interest of the Federal Reserve, which must operate through this market in adjusting, on a day-to-day basis, the reserve position of the banking system.

Our further housekeeping objectives must be to establish and maintain a maturity structure for the debt which will assure a reasonable range of flexibility for the Treasury debt managers in the future, a structure which will also facilitate rather than inhibit the execution of appropriate monetary policies, and one which will provide appropriate quantities of securities in the various maturity areas to meet the needs of the investing public.

Very often we are asked why the Treasury does not finance solely through short-term securities. Such borrowing seems always to be more easily carried out. And, since short-term rates are usually lower than long-term rates, would not such a policy also save the taxpayers money? Not many of those who ask this sort of question would carry it to its ultimate extreme and argue that the Treasury ought to finance its operations solely through greenbacks—demand obligations which carry a zero interest cost. The hazards of greenback financing are well known. Unfortunately, the hazards of an excessive concentration of short-term financing are less well known.

Perhaps our housekeeping objectives can best be understood by pointing up some of these hazards. First and most important, if we were to concentrate our financing entirely in short-term securities, we would be courting the danger of excess liquidity and the inflationary potential which excess liquidity creates. Short-term Government securities are a close substitute for money; they can be turned into money very quickly and with little risk of loss. To be sure, an advanced economy, such as ours, has need for a large stock of liquid instruments that are free of credit risk; such a stock is needed for the ready reserves of our financial institutions and other organizations. And, as our economy grows, the size of the appropriate stock of liquid instruments will also grow. But this does not mean that all of the debt can be in short form. For the stock of liquid instruments can exceed the needs of the economy at going prices and practicable rates of output. And, to the extent that such an excess occurs, a threatening inflationary potential will have been created in the economy—even an economy that is not, throughout its many sectors, fully employed.

Furthermore, it does not follow that, if the Treasury were to concentrate its financing solely in the short-term area, the interest cost on the Federal debt would be reduced. The level of interest rates for any given maturity area reflects not only the state of expectations, but also the quantity of securities supplied to the market in that maturity area. If the Treasury were to add to the supply of short-term securities well beyond the needs of the economy for this kind of instrument, short-term rates on Treasury securities would inevitably rise relative to long-term rates.

This sort of situation is illustrated by the actual experience of 1959 and early 1960, when the Treasury was forced to concentrate an excessive amount of its financing in the one-to-five year maturity area. As a result, a humped yield curve was produced, with yields in the one-to-five year area being substantially

higher than yields on the longest-term Government securities. And partly as a result, total budgetary interest costs for the fiscal year ending June 1960, were larger than those for either of the two following fiscal years, even though the total outstanding debt was actually increasing over those later years and, at the same time, a considerable lengthening of the average maturity of the debt was being accomplished.

Another major hazard of an excessive concentration of short-term Government securities is that it may severely inhibit the execution of monetary policy. It can do so in several ways. To the extent that more of the Federal debt is concentrated in short maturities, other than Treasury bills, there will inevitably be a need for more frequent, large refunding operations by the Treasury.

The reason that the turnover of our short debt is now accomplished with relatively little disturbance to the money market, and without serious impact on the flexibility of the Federal Reserve, is that the volume of short-term securities is still well within the absorptive capacity of the economy. However, if the Treasury, because of an excessive concentration of short debt, was forced to engage in very frequent and very large refunding operations of the sort which might be disruptive to the money markets, the Federal Reserve would find itself with only very short intervals of time within which it could freely and independently work out gradations of change, or shifts, in monetary policy without risking an undue disruption not only of the markets but also of the Treasury financing operations themselves.

Since February 1961, the Federal Reserve has extended open market operations throughout the entire maturity range of Government securities, instead of concentrating its efforts solely in the short-term sector. This is a change in procedure which the Treasury has welcomed. However, if the Federal Reserve is to be able to release or absorb reserves through transactions in any part of the maturity range that is appropriate for its policy objectives, the quantity of outstanding securities in the various maturity areas must be adequate to provide an active and broadly-based market in which such transactions can actually be conducted.

It is particularly important, so far as the implementation of monetary policy is concerned, that the maturity composition of the Federal debt include a significant volume of long-term debt. For at times when monetary controls should be reaching through to the longer maturity areas—influencing the supply of funds that may or may not be released to flow into mortgages, for example—significant changes may be brought about in market expectations by relatively small changes in the daily flows of funds into or out of Government securities, and the related small changes in interest rates. If there were not an adequate supply of tradeable Government securities, the effects of any needed monetary policy would have to be expected to work their way out toward the longer area by means of tentative and possibly erratic efforts at private arbitrage. The alternative for monetary policy, if there were no tradeable volume of longer-term Government securities, would be a great lengthening of the time needed for monetary controls to take hold and a great intensification of the severity of the other actions that would actually have to be taken by the Federal Reserve to accomplish a given result. It can indeed be argued that a tradeable quantity of outstanding Government debt in all maturity sectors is a precondition for any broadly effective monetary policy in the United States today. And that case is strong whether or not the Federal Reserve itself chooses to operate directly in all maturity sectors.

For very short periods, the objective of maintaining a balanced maturity structure for the debt may be subordinated to shorter-run economic policy considerations. But this is very much like deferred maintenance on a railroad or an industrial plant. If the practice is continued long enough, the basic structure may deteriorate to such an extent that it may be very difficult to restore a sound basic structure again. It is often said that there is never a time when the Treasury can freely place securities in the longer-term area of the capital market—when business is slack, no diversion from private investment can be risked, and when business is booming, interest costs are too high. The debt manager must, nonetheless, place long-term debt into the market without being hung from either of the horns of this dilemma, and, if possible, while furthering all of the other housekeeping objectives we have just reviewed, and while also fulfilling the economic policy aims which I will now briefly describe.

II.

Debt management cannot escape involvement in economic policy. The present size of the debt alone virtually compels a continuous interrelationship between what is done to refund the steady stream of maturities and what the Federal Reserve is doing to influence the supply of money and credit. We now have a debt of more than $300 billion, almost $90 billion of which will mature and have to be refunded during the year ahead. Apart from that, in recent years, the ordinary seasonal swings in the Treasury's cash borrowing requirements have been running around $10 billion.

Thus, with about $100 billion of indicated borrowing requirements, whether or not there are further budget deficits, the very magnitude and frequency of Treasury borrowing operations is necessarily such that Treasury operations can scarcely avoid having some impact on all of the other markets for fixed income securities, the corporate bond market and the market for State and local Government securities, as well as the mortgage market. The challenge to debt management planning is, therefore, so to channel the influence of Treasury debt operations upon these various other markets and activities that it will, wherever possible, help to further the objectives of Government economic policy—domestically and with respect to the balance of payments.

Much has been said in other countries about a presumed necessity for combining monetary control and debt management into a single policy instrument. And, in some countries, both are administered by a single agency. But in accordance with the principle of checks and balances, and the diffusion of power, which characterizes our political institutions generally, these functions have most appropriately been divided in the United States between the Federal Reserve and the Treasury. Two separate centers of responsibility appraise the needs of two interrelated spheres of action. And the results for each, given a full flow of intercommunications and a genuine desire for harmonious cooperation, are greater than any conceivable result of an enforced consolidation. Certainly there is no country in the world today in which the independence of these two functions is more clearly respected; yet I doubt if there is any in which the integration between monetary policy and debt management is more effective.

There are three areas of economic policy in which monetary policy and debt management come together. First, there is that of maintaining an appropriate level of liquidity—not only for the routine needs of the domestic economy, but also to sustain a strong rate of economic growth—without creating a potential inflationary hazard. The Treasury's decisions on the volume of short-term Government securities to be issued play a part in determining the volume of "near-money" liquidity in the economy. The influence exerted is necessarily similar to, although, of course, much less potent than that of the Federal Reserve in regulating the volume of bank reserves and thereby the quantity of money itself.

A second general policy area that is common to debt management and monetary management is that of helping to create conditions in the credit and capital markets which will be conducive to the most appropriate flow of funds into long-term private investment. I need not tell this group that not only the amount, but also the manner and the timing, of Treasury borrowing efforts in the longer-term market can have important effects on the flow of private investment funds. And as to the influence of Federal Reserve action—even the significance of expectations as to what that action might be—surely no elaboration is necessary.

A third important area of economic policy concerns the impact of debt management and monetary policy on our balance-of-payments position. Over the past two years and more, this has meant that both debt operations and monetary actions have had to be directed, in part, toward keeping our short-term rate structure in reasonable competitive equilibrium with rates abroad. The purpose has not been to put a floor under rates at any particular level. Our concern is not with absolute rate levels, but with relative levels. The aim is to keep our short-term rates, if possible, in line with foreign short-term rates, after adjusting for the cost of covering the forward exchange risk. The result thus far, as many of you know, is that very little money has flowed out of this country for interest arbitrage over most of the past two years.

In addition, we have begun to use debt management itself as an active instrument of balance-of-payments control. In recent months, we have borrowed from official agencies at short term in two foreign currencies—the Swiss franc and Italian lira. We have converted the proceeds into dollars at an overall cost that compared favorably with the costs of borrowing here. The incidental result has

also been a net absorption of excess dollars abroad that might otherwise have ultimately been used to purchase gold here. Though what we have done is still tentative and exploratory, we are increasingly impressed with this new dimension of debt management—an approach originally foreseen by Russell Leffingwell, then Assistant Secretary of the Treasury, when he asked Congress for the necessary legislative authority before the close of World War I. To be sure, however, this is not an approach that would be relevant to a very sizable part of our total debt management program.

Every time a judgment is taken in debt management, however, some aspects of all three of these areas of economic policy, as well as our various housekeeping goals, must be weighed in the light of all known conditions, at that particular moment in time. Quite obviously, no single answer can produce the optimum result every time for each of these diverse objectives. The objectives themselves may even occasionally be in conflict. The best we can hope for, probably, is reasonably well-balanced progress toward meeting all of these objectives, over a period of time.

III.

Having thus briefly paraded the problems of debt management, I trust it is now safe for me to review what we have been trying to do in debt management during the past twenty months. Perhaps the best starting point is to examine the economic environment within which policies were initially formulated.

In January 1961, we faced a conjuncture of a number of serious problems: a recession which had been under way for the past half year; an inadequate rate of growth which had been slackening for a number of years; and, as if these two problems were not enough, we were faced with a critical balance-of-payments problem, with world confidence in the dollar deteriorating.

In developing a policy framework which would embrace all of these problems, we placed the central focus of our policies on encouraging and raising the level of private investment. Increased private investment would help pull us out of the recession. At the same time, more investment could be the key to quickening our growth rate and reducing the continuing high rate of unemployment. And, in a longer-range sense, through increasing the productivity of American industry, more investment would also make the most fundamental and long-lasting contribution toward strengthening our national competitive position in the world and thereby righting our balance of payments.

All of our policies, then—fiscal policy, tax policy, and debt management, as well as monetary policy in its coordinate role—were oriented toward this common goal. The joint evolution of monetary policy and debt management, which had been under way since the summer of 1960, had two major aspects: to help create conditions in the capital markets which would promote a large flow of long-term capital into productive investment while, at the same time, averting any changes in the short-term interest rate structure which would set off significant outflows of short-term capital seeking interest rate advantages abroad. To achieve both of these objectives simultaneously required new operating techniques and new kinds of emphasis in the decision-making processes of both the Federal Reserve and the Treasury.

In monetary policy, this new policy orientation was reflected in the decision by the Federal Open Market Committee to conduct open market operations wherever necessary over the full maturity range of Government securities. In debt management, the new emphasis was initially reflected in the development of the following key elements of policy:

> That the Treasury would conduct the great bulk of its cash borrowing operations in short-term securities, thereby exerting a maximum of pressure to sustain an appropriate international relationship for interest rates on Treasury bills and the constellation of surrounding money market instruments;
>
> that, in ordinary refunding operations, the Treasury would largely concentrate on short-term and intermediate-term securities in a maturity range out to around ten years;
>
> and that, to offset the deterioration in the maturity structure of the debt which would otherwise have occurred, the Treasury would seek, through the technique of advance refunding, to extend further out into the long-term area substantial quantities of long-term debt already in the hands of the public, but which the passage of time was moving steadily closer to the intermediate and short maturity range.

In concentrating its cash financing largely in the short-term area, the Treasury had, of course, several objectives. By placing upward pressure on short-term yields from the supply side of the market, debt management helped enable the Federal Reserve to expand the monetary base without sacrificing our balance-of-payments objectives. Moreover, from the standpoint of the liquidity position of the domestic economy, there was a positive need for an expansion in the quantity of liquid assets to support a further increase in economic activity. In statistical terms, the economy had apparently grown up to the excess liquidity created during World War II, and the relationship between the money supply and the gross national product had returned to the level which had generally prevailed during the first thirty years of this century. In practical terms, a number of financial and business firms were actively seeking more short-term investments.

And at the same time, by concentrating its own cash borrowings in the short-term area, the Treasury in effect was reserving the flow of new long-term savings for the use of private investment in housing, industrial, and commercial plant and equipment, and for State and local public facilities.

Of course, no matter what we think we are trying to do, for housekeeping purposes or in the interest of broad economic policy, we also have the bedrock problem of designing issues that will sell, will hold their place in the market, and will make participation in the distribution of Government securities a reasonably rewarding as well as a patriotic undertaking. The fine art of tailoring our issues to the prevailing market has no formulas. Each actual offering is always a combined product of the advice we receive in many ways from the market itself (notably our splendid advisory committees), the technical expertise of our career staffs, the lessons of recent experience, and a pinch or two of hunch and intuition.

IV.

In appraising the results of our efforts during the past twenty months, I should start with a word on savings bonds. They account now for almost one-sixth of the entire outstanding debt. They provide, without exposure to market risk, a convenient opportunity for every individual to have some part in the debt financing of Government. And they pay rates of interest that are, year in and year out, better than any alternative savings instrument that has other investment attributes of even rough comparability. Since the continued success of this program is a vital part of the whole debt management effort, and since it depends so heavily on the support of a volunteer program, it is gratifying that savings bonds have kept their place in our debt structure during these recent months when the competitive pressure from higher rates on bank deposits and savings and loan shares, in particular, has been of unusual intensity.

In turning to the marketable debt, perhaps I can best sketch the outlines of most of the significant developments if I focus on three visible indicators: the behavior of interest rates, the change in the maturity structure of the Federal debt, and the change in the ownership of the debt.

For a period that has consisted mainly of sustained economic expansion, the interest rate behavior of the past twenty months has been most unusual. Since January 1961, short-term interest rates have been moving within an upward-rising range, while long-term rates have remained stable or moved lower. The yield on 3-month Treasury bills, for example, has gone up from 2¼ percent to the recent range of 2¾ percent to 3 percent. Yet corporate bond yields are now at about the same level as in January 1961, when we were close to the bottom of the recession, and rates on municipal bonds and mortgages are actually lower than they were then. Just how much of this unusual behavior of interest rates should be attributed to the influence of monetary and debt management policies and how much would have occurred in any event, I would not venture to say. However, one thing is clear: this is precisely the sort of interest rate behavior that should have been expected to occur if the economic policy aspects of the monetary and debt management programs of the past twenty months were to be fulfilled.

The favorable climate in the capital markets during the past twenty months has been reflected, as you know, in a record combined flow of long-term capital into corporate securities, State and local government bonds, and mortgages. The corporate sector alone has not set new records, so far as market borrowing is concerned, but both of the others have expanded remarkably. New record highs have been reached in the first half of 1962, with $5 billion flowing into

State and local government bonds and more than $10 billion flowing into mortgages.

Meanwhile, the total outstanding public debt has grown by $10 billion over the full course of the twenty months from the end of January 1961, through September 1962. Of this, $9 billion has been in marketable issues and $1 billion in nonmarketables, such as savings bonds. What has happened in the maturity composition of these marketable issues? The total outstanding in the under-one-year category has risen by almost $9 billion, the debt in the one-to-five-year maturity area has declined by almost $13 billion, and the debt maturing beyond five years has risen by almost $13 billion. But note that, while the rise in very short debt has been about equal to the rise in total debt, the increase in the over-five-year debt has been 40 percent greater than the $9 billion total increase in the marketable debt during this period.

The decline of roughly $13 billion in the one-to-five-year debt is very significant from the standpoint of the maturity structure of the debt. The under-one-year debt can increase in two ways: it can be increased by deliberate action, as we have done in order to maintain upward pressures on the bill rate, or it can increase automatically as, with the passage of time, more debt falls within the one-year area. The substantial reduction in the quantity of debt maturing in one to five years means that the short-term debt is under better control, since the potential for automatic increases in the very short debt has been substantially reduced.

We are convinced that the shifting of $13 billion of debt from the one-to-five-year area out beyond five years has produced a significant improvement in the overall maturity structure of the debt. Statistically, this has been reflected in an increase of six months in the average maturity of the debt, from four years and six months in January 1961, to five years at the present time, the highest level in four years.

The developments in ownership of the Government debt have been equally interesting. While the total debt has gone up by $10 billion, and the marketable part by $9 billion, commercial bank holdings have risen by only $1½ billion. The Federal Reserve has, to be sure, added about $3½ billion to its holdings of Government securities. This means that $5 billion, or one-half of the total increase in the debt, has been financed outside the banking system.

The subject of financing deficits through the banking system has been much discussed in recent weeks. That is as it should be. But some of the public discussion has seemed to me to proceed in oversimplified terms. The issue is not simply whether the Treasury sells securities to the banking system or not, but whether the amount of securities that remains in the banking system becomes so excessively large that the credit base is expanded well beyond the needs of the economy and an inflationary potential is, thereby, created. This, I can assure you, is a situation which both the Treasury and the Federal Reserve are able and determined to prevent. The relatively sparing use which we have made of the commercial banking system in financing the deficit of the past twenty months testifies, I would suggest, both to our intent and our ability to finance any future deficits in a manner which does not generate an inflationary potential.

It is important to remember, too, that the distinction between financing a deficit through the banking system and financing it through savings is not a sufficiently clear-cut basis for evaluation. For, in addition to their demand deposit function, the commercial banks are one of the most important financial intermediaries engaged in attracting and investing the savings of the public. Since January 1961, time and savings deposits at commercial banks have grown by about $21 billion. The $1.5 billion increase in commercial bank holdings of Government securities represents only about 7 percent of this increase in time and savings deposits.

And so far as Federal Reserve acquisitions of Government securities are concerned, these have all been an incidental byproduct of providing an adequate, but noninflationary, reserve base for the commercial banking system. I would indeed suggest that there is no evidence—in terms of the expanding money supply, the overall growth of bank credit, or in the broader context of price behavior in the economy—that Federal Reserve credit has grown too much.

V.

To sum up the record of the past twenty months, though there is obviously much more we would like to have done, we believe that we have had some success

in working toward both our economic policy and housekeeping objectives. Throughout the period, we have managed to avoid the sort of persistent, sizable gaps between short-term interest rates in the United States and rates abroad which would have encouraged substantial outflows of short-term capital. At the same time, the availability of funds and long-term interest rates have remained at levels consistent with the promotion of a large domestic flow of investment capital.

While the rate of increase in corporate investment has not been up to our hopes and expectations this year, it does not appear that the flow of corporate investment is being constrained by the level of money rates or the availability of long-term funds. So far as Government is concerned, it is probably in the area of tax policy that we must look for further means to stimulate corporate investment.

In pursuing the various economic policy objectives, the Treasury has not sacrified its longer-term interest in a balanced maturity structure. The maturity structure of the debt is, in fact, despite a rise of $10 billion in the outstanding debt, in better balance than it was twenty months ago—a result largely attributable to carrying forward the creative innovations in debt management introduced by the preceding Treasury administration.

Looking to the future, the only generalization that can be made with absolute certainty is that debt management policy, like monetary policy, must adapt to changing circumstances. It must continually evolve in response to changes in the liquidity needs and the investment requirements of our domestic economy, changes in our balance-of-payments position, and modifications in the overall policy mix through which the governmental part of the solutions to our economic problems may be sought.

From time to time, new debt management procedures may be needed to meet both our economic policy objectives and our housekeeping objectives. In recent months, we have tentatively introduced borrowing arrangements with governmental bodies abroad. We have already announced our intention to test another new procedure in the capital market here—the sale of long-term bonds on the basis of competitive bidding. And as our experience grows, as conditions alter, and experts such as those gathered here supply us with further suggestions, there will be further changes in the techniques and the policies that guide debt management and its relationship to the money and capital markets in the United States.

Taxation Developments

EXHIBIT 18.—Message from the President, January 24, 1963, relative to a revision of our tax structure

To the Congress of the United States:

The most urgent task facing our Nation at home today is to end the tragic waste of unemployment and unused resources—to step up the growth and vigor of our national economy—to increase job and investment opportunities—to improve our productivity—and thereby to strengthen our Nation's ability to meet its worldwide commitments for the defense and growth of freedom. The revision of our Federal tax system on an equitable basis is crucial to the achievement of these goals.

Originally designed to hold back war and postwar inflation, our present income tax rate structure now holds back consumer demand, initiative, and investment. After the war and during the Korean conflict, the outburst of civilian demand and inflation justified the retention of this level and structure of rates. But it has become increasingly clear—particularly in the last 5 years—that the largest single barrier to full employment of our manpower and resources and to a higher rate of economic growth is the unrealistically heavy drag of Federal income taxes on private purchasing power, initiative, and incentive. Our economy is checkreined today by a war-born tax system at a time when it is far more in need of the spur than the bit.

My recommendation for early revision of our tax structure is not motivated by any threat of imminent recession—nor should it be rejected by any fear of inflation or of weakening the dollar as a world currency. The chief problem confronting our economy in 1963 is its unrealized potential—slow growth, underinvestment, unused capacity, and persistent unemployment. The result is

lagging wage, salary, and profit income, smaller take-home pay, insufficient productivity gains, inadequate Federal revenues, and persistent budget deficits. One recession has followed another, with each period of recovery and expansion fading out earlier than the last. Our gains fall far short of what we could do and need to do, measured both in terms of our past record and the accomplishments of our overseas competitors.

Despite the improvements resulting from last year's depreciation reform and investment credit—which I pledged 2 years ago would be only a first step—our tax system still siphons out of the private economy too large a share of personal and business purchasing power and reduces the incentive for risk, investment, and effort—thereby aborting our recoveries and stifling our national growth rate.

In addition, the present tax code contains special preferences and provisions, all of which narrow the tax base (thus requiring higher rates), artificially distort the use of resources, inhibit the mobility and formation of capital, add complexities and inequities which undermine the morale of the taxpayer, and make tax avoidance rather than market factors a prime consideration in too many economic decisions.

I am therefore proposing the following:

(1) Reduction in individual income tax rates from their present levels of 20 to 91 percent, to a range of 14 to 65 percent—the 14-percent rate to apply to the first $2,000 of taxable income for married taxpayers filing joint returns, and to the first $1,000 of the taxable income of single taxpayers;

(2) Reduction in the rate of the corporate income tax from 52 to 47 percent;

(3) Reversal of the corporate normal and surtax rates, so that the tax rate applicable to the first $25,000 of corporate income would drop from 30 to 22 percent, so as to give particular encouragement to small business;

(4) Acceleration of taxpayments by corporations with anticipated annual liabilities of more than $100,000, to bring the corporate payment schedule to a current basis over a 5-year transition period;

(5) Revision of the tax treatment of capital gains, designed to provide a freer and fuller flow of capital funds and to achieve a greater equity;

(6) Removal of certain inequities and hardships in our present tax structure; and

(7) Broadening of the base of the individual and corporate income taxes, to remove unwarranted special privileges, correct defects in the tax law, and provide more equal treatment of taxpayers—thereby permitting a larger reduction in tax rates than would otherwise be possible and making possible my proposals to alleviate hardships and inequities.

The tax program I am recommending for enactment in 1963 would become fully effective by January 1, 1965. The rate reductions provide a cut in tax liabilities of $13.6 billion—$11 billion for individuals and $2.6 billion for corporations. Other adjustments, some of which lose and some of which gain revenue, would, on balance, produce a revenue gain of $3.4 billion, leaving a net reduction of $10.2 billion. Accelerating tax payments of large corporations to a current basis over a 5-year transition period would reduce the effect on tax receipts to $8.7 billion. These figures do not include offsetting revenue gains which would result from the stimulating effects of the program on the economy as a whole and on the level of taxable income, profits, and sales—gains which may be expected to increase as the economy recaptures its vigor, and to lead to higher total tax receipts than would otherwise be realized.

I. Benefits to the Economy

Enactment of this program will help strengthen every segment of the American economy and bring us closer to every basic objective of American economic policy.

Total output and economic growth will be stepped up by an amount several times as great as the tax cut itself. Total incomes will rise—billions of dollars more will be earned each year in profits and wages. Investment and productivity improvement will be spurred by more intensive use of our present productive potential; and the added incentives to risk taking will speed the modernization of American industry. Additional dollars spent by consumers or invested by producers will lead to more jobs, more plant capacity, more markets, and thus still more dollars for consumption and investment. Idle manpower and plant

capacity make this possible without inflation; and strong and healthy economic activity is the best insurance against future recessions.

Unemployment will be reduced, as firms throughout the country hire new workers to meet the new demands released by tax reduction. The economic prospects of our depressed areas will improve as investors obtain new incentives to create additional productive facilities in areas of labor surplus. Pressure for the 35-hour week, for new import barriers, or for other shortsighted and restrictive measures will be lessened. Companies and workers will find it easier to adjust to import competition. Low-income farmers will be drawn to new jobs which offer a better livelihood. The retraining of workers with obsolete skills will proceed more quickly and efficiently in a full employment climate. Those presently employed will have greater job security and increased assurance of a full workweek.

Price stability can be maintained. Inflationary forces need not be revived by strengthening the economy at a time of a substantial unemployment and unused capacity with a properly constructed program of tax reduction. With the gains in disposable income of wage earners there should be less pressure for wage increases in excess of gains in productivity—and with increased profits after tax there should be less pressure to raise prices. Inflationary expectations have ended; monetary tools are working well; and the increasing productivity and modernization resulting from new levels of investment will facilitate a reduction of costs and the maintenance of price stability. This Nation is growing—its needs are growing—and tax revision now will steadily increase our capacity to meet those needs at a time when there are no major bottlenecks in manpower, plant, or resources, no emergencies straining our reserves of productive power, and no lack of vigorous competition from other nations. Nor need anyone fear that the deficit will be financed in an inflationary manner. The balanced approach that the Treasury has followed in its management of the public debt can be relied upon to prevent any inflationary push.

Our balance of payments should be improved by the fiscal policies reflected in this program. Its enactment—which will make investment in America more profitable, and which will increase the efficiency of American plants, thus cutting costs and improving our competitive position in world trade—will provide the strongest possible economic backing for the dollar. Lagging growth contributes to a lack of confidence in the dollar, and the movement of capital abroad. Accelerated growth will attract capital to these shores and bolster our free world leadership in terms of both our strength and our example. Moreover, a nation operating closer to capacity will be freer to use monetary tools to protect its international accounts, should events so require.

Consumers will convert a major percentage of their personal income tax savings into a higher standard of living, benefiting their own families while generating stronger markets for producers. Even modest increases in take-home pay enable consumers to undertake larger periodic payments on major purchases, as well as to increase purchases of smaller items—and either type of purchase leads to further income and employment.

Investment will be expanded, as the rate of return on capital formation is increased, and as growing consumer markets create a need for new capacity. It is no contradiction to say that the best means of increasing investment today is to increase consumption and market demand—and reductions in individual tax rates will do this. In addition, reducing the corporate tax from 52 percent to 47 percent will mean not only greater incentives to invest but more internal funds available for investment. Reducing the maximum individual income tax rate from 91 percent to 65 percent makes more meaningful the concept of additional reward and incentive for additional initiative, effort, and risk taking. A rising level of consumer demand will enable the more than $2 billion worth of investment incentives provided by last year's tax actions (the depreciation reform and investment credit) to achieve their full effect. In addition, tax reform will reduce those distortions of effort which interfere with a more efficient allocation of investment funds. The cumulative effect of this additional investment is once again more income, therefore more consumer demand, and therefore still more investment.

State and local governments, hard pressed by a considerably faster rise in expenditures and indebtedness than that experienced at the Federal level, will also gain additional revenues without increasing their own tax rates as national income and production expand.

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II. Benefits to the Taxpayer

The increased purchasing power and strengthened incentives which will move us toward our national goals will reach to all corners of our population and to all segments of our business community.

Wage earners and low-income families will gain an immediate increase in take-home pay as soon as the tax program is enacted and new withholding rates go into effect. While tax rates are to be reduced for every bracket, the largest proportionate tax reduction properly goes to those at the bottom of the economic ladder. Accordingly, in addition to lowering rates in the lower brackets, I urge that the first bracket be split into two groups, so that married couples with "adjusted gross incomes" of $2,000 or less (or single persons with $1,000 or less) receive a 30-percent reduction in their tax rate. Some one-third of all taxpayers are in this group—including many of the very old and very young whose earning powers are below average. Many of the structural revisions proposed below are also designed to meet hardships which rate reduction alone will not alleviate—hardships to low-income families and individuals, to older workers, and to working mothers. This program is far preferable to an increase in exemptions, because, with a far smaller loss of revenue, it focuses the gains far more sharply on those who need it most and will spend it quickly, with benefits to the entire economy.

Middle and higher income families are both consumers and investors—and the present rates ranging up to 91 percent not only check consumption but discourage investment, and encourage the diversion of funds and effort into activities aimed more at the avoidance of taxes than the efficient production of goods. The oppressive impact of those high rates gave rise to many of the undue preferences in the present law—and both the high rates and the preferences should be ended in the new law. Under present conditions, the highest rate should not exceed 65 percent, a reduction of 29 percent from the present rate—accompanied by appropriate reductions in the middle income ranges. This will restore an idea that has helped make our country great—that a person who devotes his efforts to increasing his income, thereby adding to the Nation's income and wealth, should be able to retain a reasonable share of the results.

Businessmen and farmers—everyone whose income depends directly upon selling his products or services to the public—will benefit from the increased income and purchasing power of consumers and the substantial reduction in taxes on profits. The attainment of full employment and full capacity is even more important to profits than the reduction in corporate taxes; for, even in the absence of such reduction, profits after taxes would be at least 15 percent higher today if we were operating at full employment. Enactment of a program aimed at helping reach full employment and capacity use which also reduces the Government's interest in corporate profits to 47 percent instead of 52 percent, thus lowering corporate tax liabilities by a further $2.6 billion a year—while increasing consumer demand by some $8 billion a year—will surely give American industry new incentive to expand production and capacity.

Small businessmen with net income of less than $25,000, who constitute over 450,000 of the Nation's 585,000 corporations, will, under this program, receive greater reductions in their corporation taxes than their larger competitors. Under my program, beginning this year, the first $25,000 of corporate taxable income will be subject to a tax rate of 22 percent rather than 30 percent, a reduction of almost 27 percent. This change is important to those small corporations which have less ready access to the capital markets, must depend more heavily for capital on internally generated funds, and are generally at a financial and competitive disadvantage. Unincorporated businesses, of course, will benefit from the reduction in individual income taxes.

III. The Tax Program and the Federal Budget

A balanced Federal budget in a growing full-employment economy will be most rapidly and certainly achieved by a substantial expansion in national income carrying with it the needed Federal revenues—the kind of expansion the proposed tax revision is designed to bring about. Within a few years of the enactment of this program, Federal revenues will be larger than if present tax rates continue to prevail. Full employment, moreover, will make possible the reduction of certain Government expenditures caused by unemployment. As

the economy climbs toward full employment, a substantial part of the increased tax revenue thereby generated will be applied toward a reduction in the Federal deficit.

As I have repeatedly emphasized, our choice today is not between a tax cut and a balanced budget. Our choice is between chronic deficits resulting from chronic slack, on the one hand, and transitional deficits temporarily enlarged by tax revision designed to promote full employment and thus make possible an ultimately balanced budget. Because this chronic slack produces inadequate revenues, the projected administrative deficit for fiscal 1964—without any tax reduction, leaving the present system intact—would be $9.2 billion. The inclusion of the tax program—after the "feed back" in revenues from its economic stimulus and the acceleration of corporate tax payments—will add only an additional $2.7 billion loss in receipts, bringing the projected deficit in the administrative budget to $11.9 billion. The issue now is whether the strengthening of our economy which will result from the tax program is worth an addition of $2.7 billion to the 1964 deficit.

If the tax brake on our economy is not released, the slack will remain, Federal revenues will lag, and budget deficits will persist. In fact, another recession would produce a record peacetime deficit that would far exceed $11.9 billion, and without the positive effects of tax reduction. But once this tax brake is released, the base of taxable income, wages, and profits will grow—and a temporary increase in the deficit will turn into a permanent increase in Federal revenues. The purpose of cutting taxes, I repeat, is not to create a deficit but to increase investment, employment, and the prospects for a balanced budget.

It would be a grave mistake to require that any tax reduction today be offset by a corresponding cut in expenditures. In my judgment, I have proposed the minimum level of Federal expenditures needed for the security of the Nation, for meeting the challenge facing us in space, and for the well-being of our people. Moreover, the gains in demand from tax reduction would then be offset—or more than offset—by the loss of demand due to the reduction in Government spending. The incentive effects of tax reduction would remain, but total jobs and output would shrink as Government contracts were cut back, workers were laid off, and projects were ended.

On the other hand, I do not favor raising demand by a massive increase in Government expenditures. In today's circumstances, it is desirable to seek expansion through our free market processes—to place increased spending power in the hands of private consumers and investors and offer more encouragement to private initiative. The most effective policy, therefore, is to expand demand and unleash incentives through a program of tax reduction and reform, coupled with the most prudent possible policy of public expenditures.

To carry out such a policy, the fiscal 1964 budget reduces total outlays other than defense, space, and interest charges below their present levels—despite the fact that such expenditures have risen at an average rate of 7.5 percent during the last 9 years. Federal civilian employment under this budget provides for the same number of people to serve every 100 persons in our population as was true when this administration took office, a smaller ratio than prevailed 10 years ago. The public debt as a proportion of our gross national product will fall to 53 percent, compared to 57 percent when this administration took office. Last year the total increase in the Federal debt was only 2 percent—compared to an 8-percent increase in the gross debt of State and local governments. Taking a longer view, the Federal debt today is only 13 percent higher than it was in 1946—while State and local debt increased over 360 percent and private debt by 300 percent. In fact, if it were not for Federal financial assistance to State and local governments, the Federal cash budget would actually show a surplus. Federal civilian employment, for example, is actually lower today than it was in 1952, while State and local government employment over the same period has increased 67 percent. This administration is pledged to enforce economy and efficiency in a strict control of expenditures.

In short, this tax program will increase our wealth far more than it increases our public debt. The actual burden of that debt—as measured in relation to out total output—will decline. To continue to increase our debt as the result of inadequate earnings is a sign of weakness. But to borrow prudently in order to invest in a tax revision that will greatly increase our earning power can be a source of strength.

IV. REQUIREMENTS FOR EFFECTIVE ACTION AND FISCAL RESPONSIBILITY

Fully recognizing that it is both desirable and necessary for the Congress to exercise its own discretion in the actual drafting of a tax bill, I recommend the application of the following basic principles in this vital task:

A. *The entire tax revision program should be promptly enacted as a single comprehensive bill.*—The sooner the program is enacted, the sooner it will make its impact upon the economy, providing additional benefits and further insurance against recession. While the full rate reduction program must take effect gradually for the reasons stated below, I am proposing that the individual tax rates for 1963 income be reduced to a range from 18.5 percent to 84.5 percent, with a cut in the withholding rate from the present 18 percent to 15.5 percent becoming effective upon enactment of the law. This will increase the disposable income of consumers at an annual rate of nearly $6 billion a year in the second half of 1963. Also the rate of corporate tax on the first $25,000 of net income would be reduced from 30 percent to 22 percent for the year 1963. Equally important is action in 1963 on the additional individual and corporate rate reductions proposed for 1964 and 1965. The prompt enactment of a bill assuring this combination of realized and prospective tax reductions will improve the business climate and public psychology, induce forward business planning, and increase individual incentives. It will enable investors and producers to act this year on the basis of solid expectations of increased market demand and a higher rate of return. To delay decisive action beyond 1963 risks the loss of opportunity and initiative which this year uniquely offers.

B. *The net amount of tax reduction enacted should keep within the limits of economic sufficiency and fiscal responsibility.*—Too small a tax cut would be a waste, gaining us little but further deficits. It could not cope with the task of closing a $30 to $40 billion gap in our economic performance. But the net tax cut of over $10 billion envisioned by this program can lead the way to strong economic expansion and a larger revenue yield.

On the other hand, responsible fiscal policy requires that we avoid an overly sharp drop in budgetary receipts for fiscal 1964–65, and that we hold the temporary increase in the deficit below the level which in the past has proved both manageable and compatible with price stability. Therefore, to make these reductions possible, I propose a program: (a) to phase the tax reductions over a 3-year period, with the final step effective January 1, 1965; (b) to couple these reductions, amounting to $13.6 billion, with selected structural changes and reforms gaining $3.4 billion net in revenues; and (c) to offset the revenue loss still further during the next 5 years by gradually moving the tax payments of larger corporations to a more current time schedule without any change in their tax liabilities.

C. *Tax reduction and structural reform should be considered and enacted as a single integrated program.*—My recommendations for rate reductions of $13.6 billion are made in the expectation that selected structural changes and reforms will be adopted, adding on balance $3.4 billion in revenue and resulting in a net reduction in tax liabilities of no more than $10.2 billion. Larger cuts would create a larger budget deficit and the possibility of renewed inflationary pressures. Therefore, should the Congress make any significant reductions in the revenues to be raised by structural changes, these reductions would have to be offset by substantially equivalent increases in revenue, and this could only be achieved by sacrificing either some of the important rate reductions I have proposed or some of the measures I am recommending to relieve hardship and promote growth.

On the other hand, an attempt to solve all tax problems at once by the inclusion of even more sweeping reforms might impair the effect of rate reduction. This program is designed to achieve broad acceptance and prompt enactment.

Some reforms will improve the tax structure by reducing certain liabilities. Others will broaden the tax base by raising liabilities and will meet with resistance from those who benefit from existing preferences. But if this program of tax reduction is aimed at making the most of our economic potential, it should be remembered that these preferences and special provisions also restrict our rate of growth and distort the flow of investment. They discourage taxpayer cooperation and compliance by adding inequities and complexities that affect similarly situated taxpayers in wholly different ways. They divert energies from productive activities to tax avoidance—and from more valuable or efficient undertakings to less valuable undertakings with lower tax consequences.

Some departures from uniform tax treatment are required to promote overriding national objectives. But taxpayers with equal incomes who are burdened with

unequal tax liabilities are certain to seek still further preferences and exceptions—and to use their resources where they yield the greatest returns after tax even though producing less before taxes, thus lowering our national output and efficiency.

Tax reduction is urgently needed to spur the growth of our economy—but both the fruits of growth and the burdens of the resulting new tax structure should be fairly shared by all. For the present patchwork of special provisions lightens the load on some by placing a heavier burden on others. Because they reduce the tax base, they compel a higher tax rate—and the reduction in the top rate from 91 percent to 65 percent, which in itself is a major reform, cannot be justified if these other forms of perferential tax treatment remain.

The resistance to tax reform should be less when it is coupled with more-than-offsetting tax reductions benefiting all brackets—and the support for tax reform should be greater when it is a necessary condition for greater tax reduction. Reform, as mentioned earlier, includes top-to-bottom rate reduction as well as structural change—and the two are inseparable prerequisites to the achievement of our economic and equity objectives. The new rates should be both lower and more widely applicable—for the excessively high rates and various tax concessions have in the past been associated with each other, and they should be eliminated together.

In short, these changes in our tax structure are as essential to maximizing our growth and use of resources as rate reduction, and make a greater rate reduction possible. The broader the Congress can extend the tax base, the lower it can reduce the tax rates. But to the extent that the erosion of our tax base by special preferences is not reversed to gain some $3.4 billion net, Congress will have to forgo—for reasons of both equity and fiscal responsibility—either corporate or personal rate reductions now contained in the program.

V. Proposals for Rate Reduction

The central thrust of this proposed tax program is contained in the most thorough overhaul in tax rates in more than 20 years, substantially reducing rates at all levels, for both individuals and corporations, by a total of $13.6 billion. While the principal components of my proposals for rate reduction have been alluded to in the foregoing discussion, it might be well to specify them in detail here.

1. Reduction in individual income tax rates. Personal tax liabilities will be decreased by $11 billion through a reduction in rates from their present levels of 20, 91 percent to a range of 14, 65 percent, with appropriate reductions generally averaging more than 20 percent and covering every bracket. The lowest 14-percent rate would apply to the first $2,000 of taxable income for married taxpayers filing joint returns, and to the first $1,000 of the taxable income of single taxpayers—a reduction of 30 percent in the taxes levied on this new bracket, in which falls the entire taxable income of one-third of all taxpayers. The new maximum rate of 65 percent would enable those individuals who now keep only 9 cents out of each additional dollar earned to retain 35 cents in the future. I am attaching tables showing the proposed rate schedules for married and single taxpayers.

2. These reductions would take place over a 3-year period:

For the calendar year 1963, I propose a rate schedule ranging from 18.5 to 84.5 percent, reducing the appropriate withholding rate immediately upon enactment from its present level of 18 percent to a new level of 15.5 percent. For purposes of taxpayer computations, the new tax rates would apply to the entire calendar year, thus requiring the lower withholding rate to minimize overwithholding.

For calendar year 1964, I propose a rate schedule ranging from 15.5 to 71.5 percent, effective for the entire year and accompanied by a withholding rate of 13.5 percent beginning July 1 of that year.

For calendar year 1965 and thereafter, I propose a permanent rate schedule ranging from 14 to 65 percent, maintaining the withholding rate at 13.5 percent.

3. Reductions in the corporate income tax rate will cut corporate tax liabilities by $2.6 billion per year (in addition to the reduction of $2 billion per year provided by the 1962 investment tax credit and depreciation reform), and take effect in three stages:

For calendar year 1963, the present normal tax of 30 percent, applicable to the first $25,000 of taxable corporate income (the entire earnings of almost

half a million small corporations) would drop to 22 percent, a reduction of almost 27 percent, while the rate applicable to income in excess of $25,000 would remain at 52 percent, thus reversing the present normal tax of 30 percent and the surtax of 22 percent. The normal tax would remain permanently at 22 percent.

For calendar year 1964, the corporate surtax would be reduced to 28 percent, thereby lowering the combined corporate rate to 50 percent.

For calendar year 1965 and thereafter, the corporate surtax would be reduced to 25 percent, thereby lowering the combined corporate rate to 47 percent and ending the role of the Government as a senior partner in business profits.

4. Since the $25,000 surtax exemption and the new 22-percent normal rate are designed to stimulate small business, this reduction should be accompanied by action designed to eliminate the advantage of the multiple surtax exemptions now available to large enterprises operating through a chain of separately incorporated units. I, therefore, recommend that legislation be enacted which, over a transitional period of 5 years, will limit to one the number of surtax exemptions allowed an affiliated corporate group subject to 80-percent common control. This proposal would apply both to affiliated groups having a common corporate parent and to enterprises sharing common individual ownership. It will add $120 million annually to tax receipts.

5. On the other hand, if affiliated corporations are treated as an entity for the surtax exemption and other purposes, they should be permitted to obtain the advantages of filing consolidated returns without incurring the present tax of 2 percent on the net income of all corporations filing such returns. The 2-percent tax was removed in 1954 from consolidated returns of regulated public utility enterprises; and I recommend that it be repealed for all corporate enterprises beginning in 1964. This proposal will contribute to a more realistic corporate tax-rate structure and reduce the adverse effect of high marginal tax rates on growth—at an annual cost to the Treasury of only $50 million.

6. To offset revenue losses by an estimated $1.5 billion per year over the next 5 years, without increasing the actual net burden of tax liability of corporations, I recommend that corporations with an annual tax liability in excess of $100,000—which are now on a partially current payment basis—be placed on a more current tax payment schedule beginning in 1964. Under this plan, such corporations would make a first declaration and payment of estimated tax on April 15, with subsequent payments due on June 15, September 15, and December 15, reaching a fully current basis similar to that required of individual income taxpayers after a 5-year transition period. More current payment of corporate taxes will strengthen the Government's budgetary position, but will not—even during the 5-year transition period—offset the benefits of rate reduction for these corporations.

VI. Proposals for Structural Revision and Reform

The changes listed below are an integral part of a single tax package which should be enacted this year. All of them should be effective January 1, 1964. Some remove inequities and hardships and thus further reduce revenues; others recoup revenue by revising preferential tax treatment now accorded particular types of transactions, enterprises, or taxpayers. Their combined revenue effect makes possible $3.4 billion of the $13.6 billion reduction in tax rates, for a net reduction of $10.2 billion. But their combined economic effect is even more important—to provide greater equity in a broader tax base, to encourage the full and efficient flow of capital, to remove unwarranted special privileges and hardships, to simplify tax administration and compliance and to release for more productive endeavors the energies now devoted to avoiding taxes. While rate reductions are also a major reform, they are in large part justified and made possible by structural reform—and the case for structural reform, in turn, would be weakened by the absence of substantial rate reduction.

These reforms may be divided into three categories:

(A) Relief of hardship and encouragement of growth;
(B) Base broadening and equity; and
(C) Revision of capital gains taxation for growth and equity.

(A) RELIEF OF HARDSHIP AND ENCOURAGEMENT OF GROWTH

1. A minimum standard deduction

I do not believe that the individual income tax should apply at levels of income as low as $667 for single persons and $1,333 for married couples as it does now. One way to provide relief to low-income taxpayers—in addition to the splitting of the first bracket as already recommended—would be to raise the personal exemption above its present level of $600. This is an extremely costly approach, however, and one which would not fulfill our objective of giving relief where it is needed most.

As a more effective and less costly means of securing the same objective, I recommend the adoption of a minimum standard deduction of $300 ($150 for each spouse filing a separate return) plus $100 per dependent up to the present maximum of $1,000. Under present law the standard deduction cannot exceed 10 percent of a person's income. The establishment of a minimum standard deduction will provide about $220 million of tax relief, primarily to those with income below $5,000.

If this proposal is adopted, single individuals would remain free of income tax liability until their incomes exceeded $900 rather than the present $667, thus giving them the equivalent of an increase in the personal exemption of $233. A married couple, without dependents, now subject to tax on income in excess of $1,333, would be taxed only on income in excess of $1,500. A couple with two dependents would be taxed only on income in excess of $2,900, as compared with $2,667 under present law.

2. A more liberal child care deduction

Employed women, widowers, and divorced men are now allowed a deduction of up to $600 per year for expenses incurred for the care of children and other dependents who are unable to care for themselves. In its present form this provision falls far short of fulfilling its objective of providing tax relief to those who must—in order to work—meet extra expenses for the care of dependents.

I recommend increasing the maximum amount that may be deducted from the present $600 to $1,000 where three or more children must be cared for. I also recommend three further steps: raising from $4,500 to $7,000 the amount of income that families with working wives can have and still remain fully eligible; increasing the age limit of children who qualify from 11 to 12; and extending the deduction to certain taxpayers who now do not qualify—such as a married man whose wife is confined to an institution.

The revenue cost of these changes in the child care deduction would be $20 million per year, most of which would benefit taxpayers with incomes of less than $7,000.

3. The tax treatment of older people

The special problems encountered by older people are recognized in a variety of not always consistent provisions under the present individual income tax law, resulting in widely different tax burdens for similarly situated older people whose incomes are derived from different sources. The relief is not only unevenly distributed, but, to the extent that its benefits accrue to those with high income, is unnecessary, wasting revenue which could be used to provide more adequately for those who need it.

For example: a single taxpayer aged 65, whose income of $5,000 is entirely in the form of wages, now pays an income tax of $686. If he were retired and his income were in the form of dividends, his tax liability would be less than half as much—$239. Moreover, the extra $600 exemption helps most those with substantial incomes. I am convinced, therefore, that a more uniform and equitable approach, one which will reduce and tend to equalize the tax burdens of all lower and modest income older people, is required.

To this end, I recommend that all people aged 65 or over, regardless of the source of their income, be allowed a credit of $300 against taxes otherwise owing. This credit would replace both the extra exemption allowed to older people and the retirement income credit, and would be of far greater value to the vast majority of older taxpayers. Under present law the amount of retirement income utilized in computing the retirement income credit is reduced, dollar for dollar, by social security and railroad retirement benefits received. The proposed $300 credit would also be reduced but only by a limited amount. (This amount would be

equal to the taxpayer's bracket rate times one-half of the benefits—that portion attributable to the employer's contribution.)

This treatment of social security and railroad retirement benefits is more favorable than present law in its effect on lower and middle income taxpayers; and, indeed, the overall result of this proposal for a $300 credit would be to liberalize substantially the tax treatment of aged lower and middle income taxpayers. Although this provision would moderately reduce the benefits of aged upper income taxpayers, they stand to gain substantially from the general rate reduction and will still pay lower taxes. Those whose incomes are wholly or primarily in the form of social security or railroad retirement benefits, of course, will still not be subject to income tax and these benefits will remain excludable from income.

The enactment of this recommendation will insure that single older people will not be subject to individual income tax liability unless their incomes exceed $2,900 (for married couples $5,800). These figures contrast with as little as $1,333 for single older individuals and $2,667 for older married couples under present law. It will also remove the existing excessively high tax cost imposed upon those older people who, out of preference or necessity, continue in gainful employment. The vital skills and energies of these older workers should not be discouraged from contributing materially to our economic strength.

A further major advantage of this recommendation is that it will greatly simplify the filing of tax returns for our older people. As much as two-thirds of a page of the individual income tax return now required for computation of the retirement income credit will be eliminated. In addition, a large number of older people who presently file tax returns will no longer find it necessary to do so because the filing requirement will be raised from $1,200 to $1,800.

The revenue reduction associated with these gains in equity and simplicity in the tax treatment of older people will be $320 million per year.

4. Income averaging

Many taxpayers are heavily penalized if they receive income in widely fluctuating amounts from year to year. I have instructed the Secretary of the Treasury to present to the Congress as part of this program an income-averaging provision. It will provide fairer tax treatment for those who receive in a single taxable year unusually large amounts of income as compared to their average income for preceding years.

This proposal will go beyond the narrowly confined and complex averaging provisions of present law and will permit their elimination from the Internal Revenue Code. It will provide one formula of general application to those with wide fluctuations in income. This means fairer tax treatment for authors, professional artists, actors, and athletes, as well as farmers, ranchers, fishermen, attorneys, architects, and others. The estimated annual revenue cost of this proposal is $30 million.

5. Employees' moving expenses

Under present law employees are allowed to exclude from their taxable income any reimbursement received from their employer for moving expenses when changing their place of residence and job location while continuing to work for the same employer. In order to facilitate labor mobility and provide more equal treatment of similarly situated taxpayers, I recommend appropriate extension of this tax benefit to new employees. This recommendation will entail a revenue loss of $20 million per year.

6. Charitable contributions

Under present law an extra 10-percent deduction over and above the basic 20-percent limitation on deductions for charitable contributions is allowable for contributions to churches, educational institutions, and medical facilities and research. I recommend that this limit on the deduction for charitable contributions be liberalized and made more uniform. To this end the 30-percent limit should extend to all organizations eligible for the charitable contributions deduction which are publicly supported and controlled. This recommendation can be implemented at a revenue cost which is minor. But it will prove advantageous to the advancement of highly desirable activities in our communities, such as symphony orchestras and the work of community chests and cultural centers.

7. Research and development

Current business expenses for research and experimental purposes may now be deducted as incurred. But under present law the cost of machinery and equipment, now so vital to modern research and development activities, must be capitalized and the cost deducted only over the useful life of the machinery or equipment.

As a spur to private research and development, so essential to the growth of our economy, I recommend that expenditures for machinery and equipment used directly in research or development activities be allowed as a current expense deduction.

I am confident that this measure, which will involve a revenue cost of some $50 million, will provide future benefits in the form of better products, lower costs, and larger markets. These benefits, in turn, will bear fruit in larger tax bases and budgetary receipts.

(B) BASE BROADENING AND EQUITY

1. A floor under itemized deductions of individuals

Most taxpayers use the "standard deduction," generally equal to 10 percent of income up to a maximum of $1,000. But ever since this standard deduction was introduced during World War II, the proportion of taxpayers using it has declined steadily. At present, more than 40 percent of all individual income tax returns are filed by people who itemize deductions for a variety of deductible personal expenses, such as State and local taxes, interest, charitable contributions, medical expenses, and casualty losses. The amount of itemized deductions claimed on tax returns has gone up sharply—from less than $6 billion in 1942 to $25.7 billion in 1957 and $40 billion in 1962.

The present practice of allowing taxpayers to deduct certain expenses in full—the only exception being medical expenses which are subject to a 3-percent floor plus a 1-percent floor for drugs—raises difficult problems of equity, taxpayer compliance, and tax administration and enforcement. One purpose of itemized deductions is to relieve those taxpayers who are burdened by certain expenses or hardships in unusually large amounts, such as those involved in heavy casualty losses or serious illness. Another purpose is to stimulate certain desirable activities, such as charitable contributions or homeownership. Where such outlays are minimal relative to annual income, no serious hardship occurs and no special incentive is needed.

I, therefore, recommend that itemized deductions, which now average about 20 percent of adjusted gross incomes, be limited to those in excess of 5 percent of the taxpayer's adjusted gross income. This 5-percent floor will make $2.3 billion of revenue available for reduction in individual tax rates. At the same time incentives to homeownership or charitable contributions will remain. In fact, this tax program as a whole, providing as it does substantial reductions in Federal tax liabilities for virtually all families and individuals, will make it easier for people to meet their personal and civic obligations.

This broadening of the tax base which permits a greater reduction in individual income tax rates has an accompanying advantage of real simplification. An additional 6.5 million taxpayers will no longer itemize their deductions but still benefit overall from the reduced rates and other relief measures.

2. Simplification and liberalization of the medical expense deduction

The medical expense deduction allowed to taxpayers who are under 65 years of age is limited to medical expenses in excess of 3 percent of their income. A separate floor of 1 percent of income is applicable to expenditures for drugs. In the interests of simplification, these two floors should be combined. Under this recommendation, only those medical and drug expenses which together exceed 4 percent of income would be deductible. The qualifying expenses would, of course, along with other itemized deductions, be subject to the general 5-percent floor.

To lighten the burdens of our older citizens, all taxpayers who have reached the age of 65 should be relieved from the present 1-percent floor on drug expenses. They are already exempt from the 3-percent floor on medical expenses.

Under present law there is also a maximum limit on medical deductions of $5,000 for a single person and up to $20,000 for a married couple. This maximum

limit represents an anomaly in the law in that it prohibits the deduction of the truly catastrophic expenses for medical care and drugs that are sometimes incurred. I recommend, therefore, that the maximum limit be removed.

Other amendments in the definition of certain medical and drug expenses, designed to prevent abuses, will be required in connection with these changes.

The net revenue change as a result of these recommendations for simplification would involve an increase of $30 million—an insignificant part of the $6 billion of medical expense deductions which are taken today.

3. Minor casualty losses

Casualty losses on property are today fully deductible, without any floor comparable to that applicable to medical expenses to separate the extraordinary casualty from the average run of minor accidents. There is no reason why truly minor casualties—the inevitable dented fender, for example—should receive special treatment under the tax law.

I, therefore, recommend that casualty losses enter into the calculation of itemized deductions only to the extent that they exceed 4 percent of the taxpayer's income. The qualifying expenses would, of course, along with other itemized deductions, be subject to the general 5-percent floor. This recommendation will increase annual tax receipts by $90 million.

4. Unlimited charitable deduction

Present law permits a handful of high income taxpayers to take an unlimited deduction for charitable contributions, instead of the 20 to 30 percent of income normally allowable. These taxpayers for a number of years have made charitable contributions in an amount which, when added to their income tax liability, exceeds 90 percent of their taxable income—thus making the contribution fully deductible. Usually these contributions are made in substantially appreciated stock or other property. In this way the appreciation in value, without ever being subject to tax, constitutes a major part of the unlimited deduction. While naturally these generous contributions are beneficial, these taxpayers—given their otherwise high taxable income (up to several million dollars annually in some cases)—should not be escaping all Federal income tax as is the case today. They should be limited to the same 30-percent deduction for charitable contributions as everyone else.

Repeal of the unlimited charitable deduction would mean an annual revenue increase of $10 million.

5. Repeal of the sick pay exclusion

Employees who are absent from work because of illness or injury may exclude from income subject to tax up to $100 a week received under employer-financed wage or salary continuation plans. This "sick pay" exclusion is clearly unjustifiable. The taxpayer escapes tax on the salary he continues to receive, although his substantial medical expenses are deductible; and the employee who stays on the job, even though ill or injured, is in effect penalized for working. The sick pay exclusion—which is of greatest benefit to those with large salary incomes and of far less value to most wage earners— should be repealed. This action would provide $110 million per year in additional revenue.

6. Exclusion of premiums on group term insurance

Neither the current value of group term life insurance protection nor the benefits received thereunder are now subject to tax if purchased for an employee by his employer. This is, in effect, a valuable form of compensation, meeting the widespread desire to provide protection for one's family, which other taxpayers must pay for with aftertax dollars. I recommend that the current annual value to the employee of employer-financed group term life insurance protection be included in income, with an exception for the first $5,000 of coverage to correspond to the present exclusion for uninsured death benefits.

Revenues would be increased by $60 million per year.

7. Repeal of the dividend credit and exclusion

There is now allowed as an exclusion from income the first $50 of dividends received from domestic corporations, and, in addition, a credit against tax equal to 4 percent of such dividend income in excess of $50. I repeat the recommendation made in my 1961 tax message that these provisions be repealed.

Proponents of the dividend credit and exclusion argued, in 1954, when these provisions were enacted, that they would encourage equity investment and pro-

vide a partial relief to the so-called double taxation of dividend income. Although these provisions involve an annual revenue loss at current levels of $460 million, they have failed to accomplish their objectives. The proportion of corporate funds secured from new equity financing has not increased; and the "relief" gives the largest benefits to those with the highest incomes.

A far more equitable and effective means of accomplishing the objectives of the dividend credit and exclusion is to be found in my recommendation for reduction in the corporate income tax rate. The five-point reduction in that rate will reduce the tax differential against distributed corporate earnings by approximately 10 percent for all taxpayers. The dividend credit, on the other hand, provides much less relief for taxpayers with taxable incomes of less than $180,000 ($90,000 for single individuals) and greater relief only for the very highest income recipients.

Moreover, since the benefits of the dividend credit and exclusion go largely to those in the middle and upper brackets, their repeal is necessary to justify the rate schedules I am recommending. Should no action be taken on this recommendation, a higher rate schedule designed to yield an additional $460 million from the middle and upper brackets would be appropriate. This would involve a rate structure scaled to a top rate of 70 percent rather than 65 percent, with appropriate changes in other brackets.

8. Natural resources

We must continue to foster the efficient development of our mineral industries which have contributed so heavily to the economic progress of this Nation. At the same time, however, in the interest of both equity and the efficient allocation of capital, no one industry should be permitted to obtain an undue tax advantage over all others. Unintended defects have arisen in the application of the special tax privileges that Congress has granted to mineral industries, and correction of these defects is required if the existing tax provisions are to operate in a consistent and equitable fashion. The changes recommended below will alleviate this situation and yield an additional $300 million per year in revenue.

The following areas in particular suggest the need for revision:

(*a*) *Carryover of excess deductions.*—Under present tax law, mineral industries are permitted to deduct from taxable income a depletion allowance based on a percentage of gross mineral income but subject to a limit of 50 percent of net income from each producing property. The intent of this net income limit is not always realized, however, because substantial amounts of development costs and other expenses incurred while the property is being developed are not brought into the net income limit for the purpose of computing the depletion allowance, but are instead charged off against income from other sources. The result is that in many cases percentage depletion far exceeds 50 percent of net income earned over the life of the property, when net income is properly defined to include development costs.

One method of removing this defect in present law would be to provide that amounts in excess of gross income from the mineral property, which are deducted against other income of the taxpayer, should be used to reduce the net income from the property (for purposes of computing percentage depletion) in later producing years. These carryover amounts could either be applied fully as the taxpayer obtains income from the property or be spread over several years. The deduction of drilling and development expenditures when made would not be affected; but, regardless of when they were made, they would be taken into account in computing the 50 percent of net income limitation on percentage depletion. This proposal would apply only to expenditures made in taxable years beginning after December 31, 1963.

(*b*) *Grouping of properties.*—This same 50-percent limitation imposed by the Congress has also been minimized by the effect of legislation enacted in 1954, which permitted large oil and gas producers to pick and choose properties to be combined into an "operating unit" for the purpose of computing depletion and reducing taxes. Percentage depletion historically has been computed separately for each mineral property. This grouping procedure has little or no business significance; and it benefits almost entirely companies with a large number of widely scattered mineral properties. The original strength and purpose of the 50-percent limitation should be restored by returning to the rule that different oil and gas leases or acquisitions may not be combined for tax purposes, and that separate interests may be combined only if they are all on a single lease or acquisition. Such a change would bring tax rules regarding the grouping of properties into accord with business procedures.

(*c*) *Capital gains on sale of mineral interests.*—The Congress, in section 13 of the Revenue Act of 1962, recognized that the owners of depreciable business assets were obtaining an unfair advantage by taking depreciation deductions against ordinary income greater than the actual loss in value, and then, upon the sale of an asset, paying only a capital gains tax on the recovery of these deductions. The Congress, therefore, decided that any gains realized on the sale of such property should be taxed as ordinary income to the extent that the cost of the property has been deducted in the past—still permitting the excess of the sales price over the original cost to be treated as a capital gain. This same rule, which under my capital gains proposals discussed below would be extended to real estate and a variety of other situations, should also apply to mineral property subject to depletion, and would increase revenues by $50 million.

(*d*) *Foreign operations.*—Inasmuch as American firms engaged in oil, gas, and mineral operations abroad are permitted the same depletion allowances and expensing of development costs as domestic producers, their U.S. tax on income from those operations is frequently smaller than the foreign tax they are entitled to credit. The law should be amended to prevent an unused or excess foreign tax credit from being used to offset U.S. taxes on other forms or sources of foreign income. In addition, the deduction of foreign development costs should apply only to the income from those operations, and should not be permitted to reduce the U.S. tax on their domestic income.

Action by the Congress in these four areas will adopt the most clearly justified steps needed to place the present system of depletion allowances in a more appropriate framework. In addition, both the administration and the appropriate committees of the Congress should study more closely the impact of the present percentage depletion rates and their applicability regardless of size or income on the development of our natural resources and the number of investors and producers attracted to the extractive industries. While these are complex as well as controversial problems, we cannot shrink from a frank appraisal of governmental policies and tax subsidies in this area.

9. Personal holding companies

The present restrictions upon the use of personal holding companies have been inadequate to prevent many high-bracket taxpayers from sheltering large amounts of passive investment income in corporations they own and control. By generating a relatively small amount of operating income, or through the use of rentals and royalties as a shield for dividend income, they have been able to avoid personal income taxes upon portfolio investments. I recommend that these provisions be tightened to end these escape routes which permit such passive investment income to be accumulated in closely held corporations at low rates of tax. Such action will increase annual tax revenue by $10 million.

(C) REVISION OF CAPITAL GAINS TAXATION

The present tax treatment of capital gains and losses is both inequitable and a barrier to economic growth. With the exception of changes that have added various ordinary income items to the definition of statutory capital gains, there have been no significant changes in this area of the income tax since 1942. The tax on capital gains directly affects investment decisions, the mobility and flow of risk capital from static to more dynamic situations, the ease or difficulty experienced by new ventures in obtaining capital, and thereby the strength and potential for growth of the economy. The provisions for taxation of capital gains are in need of essential changes designed to facilitate the attainment of our economic objectives.

I, therefore, recommend the following changes, the nature of which requires their consideration as a unified package, coupling liberalization of treatment with more sensible and equitable limitations:

1. Percentage inclusion

Reduce the percentage of long-term capital gains included in individual income subject to tax from the present 50 percent of the gain to 30 percent. Combined with the proposed individual income tax rate schedule ranging from 14 to 65 percent, this will produce capital gains tax rates that will start at 4.2 percent (instead of the present 10 percent) and progress to a maximum of 19.5 percent (instead of the present 25 percent).

With the enactment of this recommendation, the same ratio will exist for all income groups between the tax rate payable on ordinary income and the tax rate payable on capital gains—which is not the case at the present time.

The present 25-percent alternative tax on the capital gains of corporations should be reduced to 22 percent as a part of the reduction of the corporate normal tax rate to 22 percent. This will greatly simplify tax accounting for the more than half a million small corporations subject only to the normal tax.

2. Holding period

Extend the minimum holding period for qualifying for long-term capital gains treatment from the present 6 months to 1 year.

Preferential capital gains treatment with respect to gains on assets held less than 1 year cannot be justified either in terms of longrun economic objectives or equity. Moreover, the present 6-months' test makes it relatively easy to convert various types of what is actually ordinary income into capital gains. This proposal will provide far greater assurance that capital gains treatment is confined to bona fide investors rather than to short-term speculators. The new lower rates of ordinary income tax, which will apply to gains realized on holdings of less than 6 months as well as 6 months to 1 year, will mitigate the reduced rate of turnover of securities and other assets that might otherwise result.

3. Carryover of capital losses

Permit an indefinite carryover of capital losses incurred by an individual in any one year.

Under present law capital losses may be carried over for only 5 years. They may be charged against ordinary income in an amount of up to $1,000 in each of the 5 years and against capital gains. The 5-year limitation frequently works serious hardship on investors, particularly small investors, who incur substantial capital losses and do not within 5 years have the opportunity to realize gains sufficiently large to absorb them. More adequate capital loss offsets will improve the investment odds, encourage risk taking on the part of investors, and stimulate economic growth.

4. Tax treatment of gains accrued on capital assets at the time of gift or death

Impose a tax at capital gains rates on all net gains accrued on capital assets at the time of transfer at death or by gift.

Adoption of this proposal is an essential element of my program for the taxation of capital gains; certainly in its absence there would be no justification for any reduction of present capital gain rate schedules.

A number of exceptions would limit the applicability of this proposal to fewer than 3 percent of those who die each year. These exceptions would provide special rules for the transfer of household and personal effects, assets transferred to a surviving wife or husband, and a certain minimum amount of property in every case. Appreciation on property subject to the charitable contribution deduction would continue to be exempt both on gift and at death.

For those who would have a substantial amount of appreciation taxed upon transfer at death, a special averaging provision would prevent the application of higher rates than would have applied upon disposition over a period of years. In addition, it should be clearly understood that the tax upon transfer at death would reduce the size of the taxable estate, and thereby reduce the estate tax. The present provisions for extended payment of estate taxes would apply to the new taxes upon appreciated property transferred at death and would be liberalized.

My proposal, if enacted, would apply to gifts made after this date, but would be phased to apply fully to transfers at death only after 3 years. The Secretary of the Treasury will present a technical elaboration of this proposal and its relationship to the existing rules for the taxation of various kinds of assets transferred at death.

5. Definitional changes

The wartime increase in the income tax rate structure led to repeated efforts to obtain extension of capital gains treatment to a variety of sources of ordinary income. In some cases this treatment was related to the very high rates of tax on ordinary income. In such cases capital gains treatment is no longer appropriate. In some other cases the justification given for the special treatment was the desire to give a special subsidy to the industry concerned. In other situations, as mentioned earlier with respect to mineral properties, many taxpayers have been able to profit through claiming deductions against ordinary income for expenses, interest, depreciation, or depletion, which are later recovered on disposition of property at much lower capital gain rates.

The existing sprawling scope of this preferential treatment has led to serious economic distortions and has encouraged tax avoidance maneuvers sometimes characterized as the "capital gains route." This trend should now be reversed, particularly because of the benefits of the lower capital gains rates as well as lower personal tax rates which I am recommending. Wherever the case for a special subsidy is not compelling, the definitions should be changed to limit capital gains to those transactions which clearly merit such treatment. The details regarding specific proposals in this area will be presented by the Secretary of the Treasury. They will include, but not be limited to, the following:

(*a*) Real estate tax shelters, which are giving rise to increasingly uneconomic investment practices and are threatening legitimate real estate developments; and

(*b*) The tax treatment of restricted stock options: The difference between the price paid for optioned stock at the time of exercise of such an option and the option price represents compensation for services quite as much as do wages and salaries. Under present law, however, such gains are taxed under capital gains rules at very favorable rates and the tax liability may be postponed for many years.

Under present war-inspired high tax rates, compensation arrangements of this kind clearly have their attractions. But under the new, more reasonable rates I am recommending, the favored tax treatment of stock options can no longer be said to be either desirable or necessary; and larger salary payments will be more effective than at present as a means of attracting and holding corporate executives.

I, therefore, recommend that, with respect to stock options granted after this date, the spread between the option price and the value of the stock at the date the option is exercised be taxed at ordinary income tax rates at the time the option is exercised. The averaging provision referred to above, which the Secretary of the Treasury will present, will prevent a tax penalty due to bunching of income in one year. In addition, payment of tax attributable to exercise of the stock option would be permitted in installments over several years.

This change will remove a gross inequality in the application of the income tax, but it is not expected to yield appreciable amounts of revenue; for the gains to be taxed as compensation to the employee will, as in the case of compensation in other forms, be deductible from the income of the employer.

The overall effect of all these changes in the capital gain provisions affecting individuals and corporations will stimulate a freer flow of investment funds and facilitate economic growth as well as provide more evenhanded treatment of taxpayers across the board. They have a direct positive revenue impact of about $100 million per year. The reduction in the tax rate on capital gains will be somewhat more than offset by the increased revenue from the change in holding period, the taxation of capital gains at death and the changes in definitions—including those affecting real estate shelters and sales of mineral properties.

However, the "lock-in" effect of the present law, due to the ability to avoid all capital gains taxes on assets held until death, will be eliminated. This will result in a sharp increase in transfers of capital assets as individuals feel free to shift to the most desirable investment. The increased volume of transactions under these new rules should, in an average year, yield approximately $700 million in additional revenue. Indeed, this figure will be substantially higher during the first few years after enactment as those who are presently "locked-in" respond to the new situation.

VII. Summary and Conclusion

The foregoing program of rate reduction and reform provides for a fair and comprehensive net reduction in tax liabilities at all levels of income. As shown in the attached table III, the overall savings are proportionately highest at the lower end of the income scale, where for taxpayers with adjusted gross incomes of less than $3,000 the reduction is nearly 40 percent. As we move up the income scale, the percentage reduction in tax liabilities declines to slightly less than 10 percent for taxpayers with incomes in excess of $50,000. For all groups of taxpayers combined, the reduction is approximately 18 percent, but five out of six taxpayers—most of whom have income below $10,000—will enjoy a reduction of more than 20 percent.

In addition, the proposed reforms will go a long way toward simplifying the problem of filling out tax returns for the more than 60 million filers each year. Under these proposals more than 6 million people will no longer find necessary the recordkeeping and detailed accounting required by itemized deductions. Hundreds of thousands of older people and individuals and families with very low incomes will no longer be required to file any tax returns at all.

Special tax problems of small business, the aged, working mothers, and low-income groups are effectively met. Special preferences—for capital gains, natural resources, excessive deductions, and other areas outside the tax base—are curbed. Both the mobility and the formation of capital are encouraged. The lower corporate tax rates will encourage and stimulate business enterprise. The reduction of the top 91-percent rate will assist investment and risk taking. Above all, by expanding both consumer demand and investment, this program will raise production and income, provide jobs for the unemployed, and take up the slack in our economy.

Members of the Congress: There is general agreement among those in business and labor most concerned that this Nation requires major tax revision, involving both net tax reduction and base-broadening reform. There is also general agreement that this should be enacted as promptly as is consistent with orderly legislative process. Differences which may arise will be largely those of degree and emphasis. I hope that, having examined these differences, the Congress will enact this year a modification of our tax laws along the general lines I have proposed.

To repeat what I said in my message on the State of the Union—"Now is the time to act. We cannot afford to be timid or slow. For this is the most urgent task confronting the Congress in 1963."

JOHN F. KENNEDY.

THE WHITE HOUSE, *January 24, 1963.*

TABLE I.—*Comparison of tax rates under proposed program and present law for married persons filing jointly*

Taxable income bracket	Under present law	Under proposed program		
		Calendar year 1963	Calendar year 1964	Calendar year 1965
	Percent	*Percent*	*Percent*	*Percent*
0 to $2,000	20.0	18.5	15.5	14.0
$2,000 to $4,000	20.0	19.0	17.0	16.0
$4,000 to $8,000	22.0	21.0	19.0	18.0
$8,000 to $12,000	26.0	25.0	22.0	21.0
$12,000 to $16,000	30.0	28.5	25.5	24.0
$16,000 to $20,000	34.0	32.0	29.0	27.0
$20,000 to $24,000	38.0	36.0	32.0	30.0
$24,000 to $28,000	43.0	41.0	36.0	34.0
$28,000 to $32,000	47.0	44.5	39.5	37.0
$32,000 to $36,000	50.0	47.5	42.5	40.0
$36,000 to $40,000	53.0	50.0	45.0	42.0
$40,000 to $44,000	56.0	53.0	48.0	45.0
$44,000 to $52,000	59.0	56.0	50.0	47.0
$52, 000 to $64,000	62.0	59.0	53.0	50.0
$64,000 to $76,000	65.0	62.0	55.0	52.0
$76,000 to $88,000	69.0	65.5	58.5	55.0
$88,000 to $100,000	72.0	68.0	61.0	57.0
$100,000 to $120,000	75.0	71.0	62.0	58.0
$120,000 to $140,000	78.0	73.0	64.0	59.0
$140,000 to $160,000	81.0	76.0	65.0	60.0
$160,000 to $180,000	84.0	78.0	67.0	61.0
$180,000 to $200,000	87.0	81.0	68.0	62.0
$200,000 to $300,000	89.0	82.5	69.5	63.0
$300,000 to $400,000	90.0	83.5	70.5	64.0
$400,000 and over	91.0	84.5	71.5	65.0

TABLE II.—*Comparison of tax rates under proposed program and present law for single persons*

Taxable income bracket	Under present law	Under proposed program		
		Calendar year 1963	Calendar year 1964	Calendar year 1965
	Percent	*Percent*	*Percent*	*Percent*
0 to $1,000	20.0	18.5	15.5	14.0
$1,000 to $2,000	20.0	19.0	17.0	16.0
$2,000 to $4,000	22.0	21.0	19.0	18.0
$4,000 to $6,000	26.0	25.0	22.0	21.0
$6,000 to $8,000	30.0	28.5	25.5	24.0
$8,000 to $10,000	34.0	32.0	29.0	27.0
$10,000 to $12,000	38.0	36.0	32.0	30.0
$12,000 to $14,000	43.0	41.0	36.0	34.0
$14,000 to $16,000	47.0	44.5	39.5	37.0
$16,000 to $18,000	50.0	47.5	42.5	40.0
$18,000 to $20,000	53.0	50.0	45.0	42.0
$20,000 to $22,000	56.0	53.0	48.0	45.0
$22,000 to $26,000	59.0	56.0	50.0	47.0
$26,000 to $32,000	62.0	59.0	53.0	50.0
$32,000 to $38,000	65.0	62.0	55.0	52.0
$38,000 to $44,000	69.0	65.5	58.5	55.0
$44,000 to $50,000	72.0	68.0	61.0	57.0
$50,000 to $60,000	75.0	71.0	62.0	58.0
$60,000 to $70,000	78.0	73.0	64.0	59.0
$70,000 to $80,000	81.0	76.0	65.0	60.0
$80,000 to $90,000	84.0	78.0	67.0	61.0
$90,000 to $100,000	87.0	81.0	68.0	62.0
$100,000 to $150,000	89.0	82.5	69.5	63.0
$150,000 to $200,000	90.0	83.5	70.5	64.0
$200.000 and over	91.0	84.5	71.5	65.0

TABLE III.—*Tax program for individuals—Distribution by adjusted gross income class of the full year effect of all tax changes directly affecting individuals* [1]

Adjusted gross income class	Number of taxable returns	Tax liability under present law [2]	Proposed rate change	Estimated revisions	Estimated total
	In millions				
0 to $3,000	9.7	$1,450	−$410	−$150	−$560
$3,000 to $5,000	10.5	4,030	−1,090	−40	−1,130
$5,000 to $10,000	22.9	18,300	−4,520	+730	−3,790
$10,000 to $20,000	6.7	12,710	−2,690	+770	−1,920
$20,000 to $50,000	1.0	6,760	−1,410	+590	−820
$50,000 and over	.2	4,170	−920	+540	−380
Total	51.0	47,420	−11,040	+2,440	−8,600
	Percent distribution by income class				
0 to $3,000	19.0	3.1	3.7	−6.1	7
$3,000 to $5,000	20.6	8.5	9.9	−1.6	13
$5,000 to $10,000	44.9	38.6	40.9	29.9	44
$10,000 to $20,000	13.1	26.8	24.4	31.6	22
$20,000 to $50,000	2.0	14.3	12.8	24.2	10
$50,000 and over	.4	8.8	8.3	22.1	4
Total	100.0	100.0	100.0	100.0	100
	Percent of tax liability under present law				
0 to $3,000	----------	100.0	−28.3	−10.3	−39
$3,000 to $5,000	----------	100.0	−27.0	−1.0	−28
$5,000 to $10,000	----------	100.0	−24.7	+4.0	−21
$10,000 to $20,000	----------	100.0	−21.2	+6.1	−15
$20,000 to $50,000	----------	100.0	−20.9	+8.7	−12
$50,000 and over	----------	100.0	−22.1	+12.9	−9
Total	----------	100.0	−23.3	+5.1	−18

[1] Excludes capital gains revisions. The net direct change is of minor revenue significance. The greater volume of transactions that can be expected will produce a revenue gain of $725,000,000.
[2] Excluding tax on capital gains at 25 percent alternative rate.

Exhibit 19.—Statement by Secretary of the Treasury Dillon, February 6, 1963, before the House Ways and Means Committee on the tax recommendations of the President

The President's program of tax reform is designed to increase the strength and vigor of our economy, remove certain inequities from our tax structure, and promote tax simplification. The primary objective is to release our economy from the shackles of an overly repressive income tax rate structure so that it can move ahead to full capacity utilization of its human and physical resources and avoid the recurring recessions that have characterized the postwar years.

One fact on which there can be no disagreement is that for the past 5 years we have continually suffered from an unacceptably high rate of unemployment—a rate far higher than that which has prevailed in the industrialized countries of Western Europe.

While there may be differences of opinion as to the exact measurement of excess plant capacity, it is also uncontrovertible that considerable excess capacity does exist today. This excess capacity has brought in its train a slowdown of investment in new plant and equipment for modernization and growth which is so vital to the health of any industrialized nation.

There are many ways in which government can help to move our economy toward sustained full employment. Some of them involve direct attacks on structural unemployment such as are contained in our depressed area legislation, in our retraining programs, and in the proposed youth employment opportunities program. But no job creating action that government may take can be as effective as action to release the pent-up energies of our private economy by removing the restraints imposed by our repressive tax rate structure. This will restore incentives for risk taking, initiative and extra effort—incentives that have been held in check in recent years.

We must encourage our economy to operate at capacity, not only so that we may reduce the ranks of the unemployed, but so that we may be financially able to continue to carry the heavy burdens of defense and free world leadership that have fallen upon us. A strong economy is required to produce the revenues we need to meet our obligations as well as to strengthen our balance of payments.

The last 5 years are eloquent testimony to the fact that, given our cold war burdens, our best and maybe our only hope of achieving balanced budgets lies in permitting our economy to function once again at reasonably full capacity. A higher rate of economic activity will put more people to work, enlarge personal incomes and corporate profits and thus increase the sources of Government revenue. We confidently expect that the lower rate structure we propose will soon yield more revenues from an enlarged economy than would be the case if we continue with our present repressive tax structure and the wasted and unused resources that accompany it. In other words, paradoxical as it may seem, the desired goal of a balanced budget can be reached more rapidly with tax reduction and reform than with our present tax system.

That this conclusion is not merely wishful thinking is clearly demonstrated by what happened following our last major peacetime tax reduction. Under the 1954 tax program taxes were reduced by $7.4 billion. Budget receipts of $64.4 billion in fiscal year 1954 dropped to $60.2 billion in fiscal 1955, but by fiscal year 1956 budget receipts had attained a level of $67.9 billion, $3.5 billion more than had been realized in the year prior to the tax reduction.

However, the increased revenues that will flow from a stronger, faster growing economy will not of themselves bring us to our goal of a balanced budget. It will also be necessary for the Executive and the Congress to practice the most careful control of expenditures. As the President stated in his budget message, we must see to it that an appropriate share of the increased revenues we can expect from a growing, fully employed economy is set aside to reduce and eventually eliminate the deficit. The nondefense portions of the 1964 budget show the first results of this effort. If the Congress approves the tax reduction needed to move our Nation to full use of its productive capabilities, the stage will be set for a continuation and intensification of this effort to hold down expenditures. In this connection, a word about defense. The substantial yearly increases in defense expenditures that have characterized the past 3 years are bringing us to a new and safer level of readiness. Barring an unexpected worsening in the cold war, the future maintenance of this level should not require the same sort of annual increases that have marked recent budgets. This should serve to ease our overall problem of expenditure control. While the President firmly intends

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to accompany tax reduction with strict controls of expenditures, the close cooperation and partnership of the Congress in this effort will also be required.

In recommending a program of tax reduction at a time when we face a large deficit, we have naturally had to give careful consideration to the absolute size of the deficit, lest we inadvertently set off a renewed inflationary surge. Since a lower scale of tax rates is so desirable, we would like to have it as soon as possible. But we have not recommended an immediate full reduction even though its impact on the economy would be faster and greater. We have instead recommended a three-stage approach to be enacted in one bill at this session of the Congress. In this way the impact of the reductions on the size of the deficit will be minimized and inflationary pressures will be avoided, while taxpayers will feel the full incentive that comes from foreknowledge of lower rates to come. Without any tax action we face a deficit of over $9 billion next year. The tax program will add $2.7 billion, less than a quarter of the forecast total of $11.9 billion. This total is within the bounds of what we have recently experienced without any inflationary aftermath. Given the excess capacity in our economy, there is no reason why next year's deficit should prove inflationary provided we in the Treasury continue to exercise care and prudence in choosing our methods of financing. That we have done and will continue to do.

What I have just said about the President's choice of a program phased over 3 years as well as his recommendations for structural reforms designed to offset about a quarter of the cost of the rate reductions, should serve clearly to rebut any assumption that the tax reduction program is being submitted for the purpose of enlarging our deficit. Quite the contrary—we have chosen this route as the soundest and best approach to the balanced budgets we all desire.

An economy released to operate at full capacity should also strengthen our balance of payments. A major problem in recent years has been the relatively greater attraction of investment in the rapidly growing economies of Europe. Our capital has flowed abroad in large quantities, while foreigners have limited their new investments in our economy. A prosperous, fully employed American economy, operating under a reasonable income tax rate structure should rapidly change this situation. A more prosperous domestic economy will also give our monetary authorities greater freedom for stronger action in defense of the dollar should that be required. Finally, the larger corporate and personal incomes flowing from tax reduction should facilitate the maintenance of price stability—all important to our balance of payments—by reducing pressures for unjustified wage and price increases.

In addition to rate reform, the President has proposed a series of structural changes designed to offset in part the revenue losses implicit in a truly meaningful rate reduction and to modify, correct, or remove certain inequalities, special provisions and defects in our tax system. A number of the defects are byproducts of our excessively high tax rates and can and should be remedied only in conjunction with a general reduction in rates such as is being proposed. A number of the structural changes are designed to rectify hardships and will result in revenue losses totaling $790 million. Others will increase revenue, the net result of all these changes being an increase in revenues of approximately $3.3 billion. These increased revenues will offset a portion of the $13.6 billion cost of the rate reforms, reducing the total revenue cost to $10.3 billion. It is our conviction that this represents the maximum revenue cost that can safely be accepted. Therefore, the structural reforms are inextricably tied to the rate reforms. Failure to raise revenue through structural reform will necessarily require an upward revision of the recommended rate structure. This would be unfortunate since there seems to be a broad measure of agreement that an individual rate structure such as we have proposed, grading up from a 15-percent low (14 percent taking into account the split in the first bracket) to a top rate of 65 percent, is what is required to release energies and efforts and to avoid the area of diminishing returns and excessive concern with the tax consequences of business and personal decisions.

The overall effect of the program on budget receipts will be further reduced by the acceleration over a 5-year transition of the tax payments of large corporations. This will increase receipts by approximately $1.5 billion annually beginning in fiscal 1964 and reduce the cost of the program to $8.8 billion.

TIMING AND OVERALL SHAPE OF THE TAX PROGRAM

The amounts of tax reduction for the calendar years 1963, 1964, and 1965, *before taking into account* the feedback effects resulting from economic expansion induced by the tax program, are as follows:

Reduction in tax liabilities
[Millions of dollars]

Calendar year:	*Amount*
1963	3, 090
1964	6, 250
1965	10, 320

Individual income tax rates should be reduced as soon as practicable in 1963. To facilitate taxpayers' computations, however, this initial reduction in individual tax rates should be set forth in terms of new rates applicable to all incomes received during the calendar year 1963. The proposed rates, ranging from 18.5 to 84.5 percent, are presented in table 1.[1]

The appropriate withholding rate, to take effect upon enactment of the program, would be 15.5 percent. This withholding rate is proposed for the second half of 1963, to minimize the overwithholding which might otherwise occur because the new tax rates would apply to the entire calendar year but the present 18-percent withholding rate would continue through a large part of the year.

As table 1 indicates, individual income tax rates would be reduced to a range of 15.5 to 71.5 percent effective for the year 1964. The second and final reduction in the withholding rate to 13.5 percent would be scheduled to take effect on July 1, 1964.

By January 1, 1965, the third and last phase of rate reductions for individuals would take effect. The permanent rate schedule, with rates ranging from 14 to 65 percent, would be effective for 1965 and thereafter.

Except where special circumstances require that structural revisions be accompanied by a transitional rule or an earlier effective date, all of the structural changes should apply as of January 1, 1964.

The tax program similarly calls for a three-stage reduction in corporate income tax rates. For 1963 the present normal tax of 30 percent, applicable to the first $25,000 of taxable corporate income, would drop to 22 percent, while the rate applicable to income in excess of $25,000 would remain at 52 percent. This permanent 8-percentage-point reduction in the tax rate on the first $25,000 of income—the entire earnings of almost half a million small corporations—would be followed by a reduction of 2 points in 1964, and a further 3 points in 1965, in the rate applicable to income in excess of $25,000.

When the program is fully in effect, in 1965, the corporate rate will total 47 percent, with a 22-percent normal tax and a 25-percent surtax rate.

I should like to review with you now the principal features of the President's proposals. A detailed technical explanation is attached for the convenience of the committee and future public witnesses. In addition, exhibits[1] are attached which contain illustrative material and statistical data with respect to a number of the proposals.

EXPLANATION OF THE PROGRAM

The proposals are grouped for discussion into three categories:

I. Taxation of ordinary corporate income.
II. Taxation of ordinary individual income.
III. Capital gains and losses.

The central focus of the President's program is the prompt enactment, in a single comprehensive bill, of the permanent and meaningful reduction, by stages, of rates of tax on corporate income, individual income, and capital gains. This would produce a tax structure in keeping with our current national needs, conducive to both increasing demand and incentives to investment, risk taking, effort, and initiative.

But any tax program, worthy of the name, involving across-the-board, top-to-bottom rate reductions, should incorporate some structural changes, if the resulting system is to:

(*a*) Make the economy more responsive to market forces rather than tax considerations;

(*b*) Minimize the diversion of energy and resources from productive activities to tax avoidance;

(*c*) Achieve greater equity, bringing the tax treatment of persons in essentially similar positions more nearly to equality;

(*d*) Relieve the extremely poor and aged from the unwarranted hardships the present tax system imposes and which cannot be readily alleviated merely by changes in the rate structure.

[1] Omitted from this exhibit; for document reference see note at end of this statement.

This committee, as a result of its extensive hearings in 1959, is well aware of the magnitude of the problems and the need for action. The papers published by this committee in its Tax Revision Compendium have proved most helpful to us in our work. The job of assuring that our tax system provides the needed revenues in a manner that gives the freest play to our private economy, while at the same time promoting equity and simplicity, is a difficult and never-ending task.

When economic considerations require the submission of a program calling for a massive net overall tax reduction, I submit we would be remiss if we did not avail ourselves of the opportuntiy presented by that tax reduction to achieve a permanently improved tax system.

Ordinarily, the greatest obstacle to improving the tax system arises from the hard political fact that it is difficult to reduce the benefits enjoyed by particular groups of taxpayers when this will result in an increase in their tax payments. The Revenue Act of 1962 is a prime illustration.

But now, with a very large net tax reduction in contemplation, it is feasible to combine meaningful rate reductions with related structural changes in a manner that will bring substantial decreases in taxation and benefits to all classes of taxpayers with an improved permanent tax system.

Moreover, structural changes of a base broadening nature are necessary to permit rate reductions as extensive as are required to stimulate the return to full employment and higher rates of growth and to encourage efficiency in use of resources.

Since the transmittal of the President's tax message, there has been some comment to the effect that middle and upper income taxpayers would not benefit from the program and that their rate reductions are illusory, since they would be fully offset by increases resulting from the structural changes.

This, of course, is simply not so. Table 6 [1] presents detailed estimates of the impact among broad income groups of each of the principal parts of the tax reform program. As the right-hand column of the table indicates, tax reduction is highest at the lower end of the income scale, where for taxpayers with adjusted gross income of under $3,000 the reduction in tax liabilities as compared with present law is approximately 40 percent. As we move up the income scale, the percentage reduction in tax liabilities declines to approximately 10 percent for taxpayers with incomes in excess of $50,000. For all groups of taxpayers combined, the overall reduction is 18 percent, but two-thirds of all taxpayers—most of whom have incomes below $10,000—will enjoy a reduction in tax liabilities of 20 percent or more.

Tables included in exhibits 5 and 18 [1] illustrate the effect of the tax program on taxpayers with incomes from various sources, those who use the standard deduction as well as those who take itemized deductions, low, middle, and upper income taxpayers, and the aged. Whether tax reduction is translated into terms of increase in weekly take-home pay or is looked at in terms of annual reduction in tax liability, it is substantial in almost all instances.

Naturally, there are variations within groups. Because of the recommended repeal of the dividend credit, earned income will fare somewhat better than income from investments. This is as it should be if we are to provide maximum incentives for effort and initiative to those who, for the first time, are achieving substantial earning power. It may even be that a few exceptional cases can be found where there is no overall reduction or even a modest increase. But this is inevitable in any broad restructuring of a complex tax system such as ours affecting over 80 million people. The point to bear in mind is that over 99 percent of all taxpayers will get reductions, most of them substantial, through enactment of the President's program.

Moreover, middle and upper income taxpayers will also receive substantial benefits from the proposals for corporate rate reduction. This reduction will increase aftertax earnings of corporations by just over 10 percent. The great bulk of the stock ownership of our larger corporations lies in the middle and upper income groups. These groups will receive substantial benefits from the corporate rate reduction in the form of increased dividends or increased values of their shareholdings. The increase in dividends that should accrue to those with incomes of over $10,000 amounts to more than a billion dollars. This must be taken into account when considering the impact of the overall program on middle and upper income taxpayers.

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[1] Omitted from this exhibit; for document reference see note at end of this statement.

In addition, it should be appreciated that a large share of the tax benefits of last year's administrative liberalization of depreciation, and of the investment credit incorporated in the Revenue Act of 1962, accrue to this same group of taxpayers, who own the bulk of the equity in our larger business establishments.

Finally, even if it were true, which it is not, that the overall program resulted in no net tax reduction for substantial groups of taxpayers because their benefits of rate reduction were fully offset by structural reforms, the resulting tax system would still be more conducive to incentive and investment. The effect of a lower scale of corporate and individual tax rates and lower rates on capital gains would be to increase incentive and initiative to earn the marginal dollar by increased effort and risk taking. The market rather than tax consequences would be the prime determinant of economic decision.

I. Taxation of Ordinary Corporate Income

Corporate tax rates

The President's proposals with respect to reduction of the corporate income tax rates must be viewed against the relief already provided by the investment credit and depreciation reform of 1962. These measures have provided new incentives to investment in the business sector and have reduced corporate tax liabilities by more than $2 billion per year. The proposed reduction in the corporate rate to 47 percent will add to these earlier incentives, meeting the legitimate desire of the business community that the Government's interest in enterprise profits be reduced to less than 50 percent. It will also reduce the corporate income tax rate to the level which the Congress believed appropriate for application after the end of the Korean war.

The over 10-percent increase in aftertax profits, by increasing the prospective rate of return on investment, will provide greater incentives to cost cutting and increases in productivity, and add to the flow of internal funds available for modernization and expansion. A rapidly growing economy is necessarily one in which a large proportion of each year's output is devoted to productive investment. The proportion of our total output devoted to such investment has been declining in recent years—a trend that must be reversed. The reduction in the corporate tax rate should go far toward achieving that objective.

The proposed change in the corporate tax rate structure offers an even larger reduction to the small corporation. Under the President's program, the first $25,000 of corporate taxable income will be subject to a tax rate of 22 percent rather than 30 percent, a reduction of almost 27 percent. This change is designed specifically to help small corporations which have less ready access to the capital markets and must depend more heavily for capital on internally generated funds. Small businesses, their strength and vitality, are the keystone of our competitive economy and its potential for growth. This must be recognized in the implementation of tax reform.

The proposed corporate tax rate reductions will reduce tax liabilities by $2.6 billion per year.

Multiple surtax exemptions

The proposed reduction in the corporate normal tax rate from 30 to 22 percent would not be feasible in the absence of appropriate changes in related parts of the tax structure.

Under existing law, multicorporate groups, whether formed for good business reasons or not, are in position to derive multiple tax benefits from the $25,000 surtax exemption. They can obtain a substantial reduction in their effective tax rate as compared with enterprises having equal income but organized as a single corporate entity. Consequently, the reduced tax rate designed to assist small business would confer unintended benefits on medium-sized and large businesses operating through a series of separately incorporated units.

The fact that there are valid business reasons for many of these multiple corporate structures does not justify treating each corporate unit in the group as if it were an independently controlled small business. Under existing law, in the case of these multiple corporate structures an incentive for small business is converted into a large bonus for middle and big business. The present rules do more than misdirect the tax benefits intended for small businesses; in some situations, they even provide an incentive for uneconomic corporate arrangements and deliberate abuse through proliferation of corporate units.

The President has, therefore, recommended that provisions be adopted to limit related corporations subject to 80-percent common ownership and control to a single surtax exemption. Related corporations for this purpose would include 80-percent-owned corporations which are subsidiaries of the same corporate parent (parent-subsidiary type) or which are owned by the same five or fewer individuals (brother-sister type). Also included would be corporations which are 80-percent owned by five or fewer corporations (commonly controlled subsidiaries).

In order to prevent any abrupt financial impact from the proposed limitation of the surtax exemption, the denial of multiple surtax benefits should be made effective gradually over a 5-year transition period beginning with 1963.

Enactment of this proposal will add $120 million annually to tax receipts.

The 2-percent tax on consolidated returns

At present an additional 2-percent tax is imposed on the consolidated net income of affiliated corporate groups filing consolidated returns. The 2-percent tax was removed in 1954 with respect to regulated public utilities. The President has recommended that it be repealed for all corporate enterprises beginning in 1964. This change is contingent upon and designed to accompany the elimination of extra surtax exemptions for commonly controlled corporations. Along with the proposed repeal of the tax on intercorporate dividends within a parent-subsidiary affiliated group, it will facilitate the transition to treatment of commonly controlled corporations as an economic unit for purposes of taxation. All of these changes will make feasible the new 22-percent tax rate for small corporations.

The annual cost to the Treasury of enactment of these provisions would be $50 million.

Research and development

While research in the military and space fields supported by the Federal Government has surged ahead in recent years, private research and development in the civilian sector financed by businesses themselves have grown much less rapidly, at a rate far below the general growth rate of the economy.

I need not remind this committee of the importance of continuing advances in science and technology—advances which produce new products and improved production processes—which depend on active research and development programs. Such advances are essential both for our security and for the growth and strength of the economy.

To assist and encourage expansion of our private civilian research and development activities, the President has recommended that capital expenditures for machinery and equipment used directly and specifically for research and development activities be allowed as a current expense deduction. The benefits of this encouragement to the civilian sector of the economy will far outweigh the estimated revenue cost of about $50 million.

The details of this proposed expensing treatment for research equipment are presented in the technical explanation.

Taxation of income from natural resources

In the natural resources or extractive industries area the President's tax program would correct some serious defects in the application of existing provisions. These defects arise in connection with the 50-percent net income limitation on percentage depletion, the grouping of oil and gas properties for tax purposes, the deductions from ordinary income of amounts later recovered and taxed at capital gains rates, and the use of tax concessions on foreign mineral production to reduce the tax liability that would otherwise be due on income from domestic and nonmineral foreign sources.

1. *Carryover of excess deductions.*—The first proposal would require that deductions in excess of gross income from a mineral property be carried forward against net income from the property for the purpose of computing the 50 percent of net income limitation on percentage depletion when the property becomes profitably productive. Depletion deductions that are based on cost would not be affected, nor would the proposal in any way limit the current deduction of drilling and development expenditures.

Under present law, taxpayers are able to reduce their taxable incomes from other sources by deducting substantial amounts of development costs and other expenses incurred when a mineral property is not yet profitable. But they are not required to take these deductions into account in determining net income for

the purpose of computing the limit on the percentage depletion allowance on the property when it does become profitable. Even if the deductions are carried forward in the form of a net operating loss carryover and used to reduce future taxable income, they are never subtracted from net income from the property for purposes of the percentage depletion limitation. As a result, the amount of percentage depletion deducted over a property's life may be far more than one-half of its total net income. This result would seem to be clearly contrary to the purpose of the 50-percent net income limitation on percentage depletion. The operation of present law is illustrated in the technical explanation.[1]

The carryforward of excess deductions would apply only to eligible expenditures incurred in taxable years beginning after December 31, 1963. The amounts carried over would be spread over several years so that they could not reduce otherwise allowable percentage depletion by more than 50 percent in any one year. After these amounts have been absorbed, percentage depletion would continue as under present law.

Enactment of this proposal is required if the net income limit on percentage depletion is to operate in a consistent and equitable fashion. It will repair a breach in the net income limitation that involves an annual revenue loss to the Treasury of as much as $200 million a year.

2. *Grouping of properties.*—The President's tax program also includes a proposal that would in effect restore the pre-1954 rules for the grouping of oil and gas properties for tax purposes. The grouping practices that have evolved in recent years have been used to minimize taxes in a way that does not seem to have been intended by the 1954 legislation and does not accord with sound and ordinary business practices in the oil and gas industry. A company that is able to select and combine high-cost with low-cost properties, wherever they may be located, is able to circumvent the intent of the 50-percent net income limitation. The pre-1954 rules, which treated each mineral deposit in a lease or fee acquisition as a separate property, worked satisfactorily in the case of oil and gas, but not in the case of hard minerals. That is why the 1954 change was introduced. However, the new provision was extended to oil and gas properties, resulting in an unanticipated revenue loss of approximately $50 million a year.

The proposal would be applied to taxable years beginning after December 31, 1963, to prevent future tax avoidance through inappropriate and unjustifiable property groupings. Information available to the Treasury indicates that most smaller operators in oil and gas continue to follow the old "lease" rule and would not be affected by the elimination of the broader aggregation option. Only large producers with widely scattered holdings would be affected.

3. *Foreign mineral operations.*—Under present law the special tax benefits provided to income from foreign mineral production sometimes permit companies operating abroad to realize excess foreign tax credits which may be used to reduce the U.S. tax liability on other foreign income. In addition, deductions for exploration and development of foreign mineral properties may reduce taxable income from domestic sources.

The President's tax message proposes changes that would prevent the application of excess foreign tax credits against tax liabilities otherwise due on other foreign income and the reduction of taxable income from domestic sources resulting from foreign exploration and development costs which lead to production. The proposals would not affect the deductibility of abandonment losses on nonproductive properties.

I shall discuss the recommended change in capital gains treatment along with the President's other proposals in the capital gains area.

The combined revenue effect of the President's proposals as applied to taxation of the extractive industries is estimated at $300 million per year, including $50 million accounted for by changes in capital gains treatment. Of the $300 million total, $280 million would be paid by corporations and $20 million by individuals.

Current payment of corporate tax liabilities

This committee is aware of the progress which has been made toward placing larger corporations on a more current tax payment schedule under legislation it initiated in 1950 and again in 1954. As a result, corporations with annual tax liabilities in excess of $100,000 are now on a partially current payment basis.

The President has recommended that a gradual plan be instituted, beginning in 1964, under which corporations with a tax liability in excess of $100,000 would

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[1] Omitted from this exhibit; for document reference see note at end of this statement.

begin making a first declaration and payment of that portion of their estimated tax liability exceeding $100,000 on April 15, in the case of a calendar year corporation, with subsequent payments due on June 15, September 15, and December 15.

The ultimate goal of this plan is a payment schedule which, after 5 years, would bring large corporations, with the exception of their first $100,000 of tax liability, to a fully current basis similar to that required of individual income taxpayers. During the period of transition budgetary receipts will be increased by about $1.5 billion per year.

Corporations may be expected to be able to adjust to the new payment schedule without difficulty, just as they did following the action taken by Congress in 1950 and again in 1954. Only about 15,000 large corporations, some 2½ percent of the total of active taxpaying corporations, will be affected. The transition will be eased by the additional cash flow resulting from rate reduction, last year's depreciation reform, and enactment of the investment credit.

Even during the recommended 5-year transition, more current payment of corporate tax liabilities will not cancel out the benefits of rate reduction. There will be a net benefit to the corporations concerned in the form of higher aftertax profitability. Thus the stimulus of rate reduction to new investment will not be affected. The proposed schedule of corporate tax reduction would not be feasible without the cushioning effect on budgetary receipts of the more current payment plan.

Conclusion

This proposed treatment of ordinary corporate income illustrates the desirability of combining some structural changes with automatic rate reduction.

The failure to reverse the current rates applicable to normal and surtax corporate income would forfeit an opportunity to provide nearly 80 percent of our taxable corporations—those with incomes of less than $25,000—with a very meaningful stimulus to strive for increased efficiency and development. The expensing of research and development equipment will complement the overall rate reduction by challenging corporations, large and small, into this growth producing activity.

But the annual revenue cost of these measures plus the repeal of the 2-percent tax on consolidated returns, a measure of efficiency and simplicity for taxpayer and the Government alike, would total approximately $2.7 billion.

Such an immediate revenue loss, when combined with the reductions in individual income taxes, is more than would be fiscally acceptable. These revenue reducing measures are possible only because they can be combined with other structural changes, such as the provisions for taxation of the extractive industries, for limiting the multiple surtax exemption of commonly controlled corporations, and for the acceleration of corporate taxpayments.

Temporary tax rate extension

Under present law the corporate rate would drop to 47 percent after next June 30, with a reduction of the normal tax from 30 to 25 percent. This would cause a sudden and unacceptable loss of revenue. Therefore, since it is unlikely that the present program can be enacted before June 30, it will be necessary to renew the present 52-percent corporate rate for another year in a separate bill, to be enacted prior to June 30. It will also be necessary to maintain the present rates of those excise taxes which otherwise would fall on June 30 since the further loss of revenue involved would be unacceptable and would interfere with the primary job of reforming the income tax structure.

II. Taxation of Ordinary Individual Income

Individual tax rates

The single, most important element in the tax program is an across-the-board, top-to-bottom reduction in individual income tax rates from the present range of 20 to 91 percent to a new level of 14 to 65 percent. There has clearly developed in recent months a consensus among spokesmen for business, labor, and the population at large on the desirability of reducing tax rates. Such groups as the CED, the NAM, and the Chamber of Commerce of the United States have urged that top rates be reduced to 60 or 65 percent and that rates in the bottom and middle brackets be reduced as well. The president of the AFL–CIO has similarly urged rate reduction, with emphasis on the lowest bracket rates.

In order to lighten the tax load borne by the one-third of all taxpayers whose entire taxable incomes fall within the lower half of the present first bracket—

less than $2,000 for a married couple and $1,000 for a single individual—the President has recommended that the bottom income tax bracket be split, with a 30-percent reduction, from 20 to 14 percent, in the rate applicable to the new first bracket. The rate of tax on the new second bracket of income would be cut by 20 percent—the reduction which would apply to most other brackets.

Splitting the bottom bracket will provide substantial relief for those who need it most—those who have been most seriously harmed by the postwar increases in the cost of living. It is also justified in terms of the bracket structure as a whole, in which the size of the brackets generally increases as the level of income goes up.

For middle and upper middle income taxpayers, the proposed rate reductions of over 20 percent are both necessary and justifiable. These taxpayers play a major role both as consumers and investors.

For the highest income taxpayers, present rates are today simply unrealistic. These rates, ranging to 91 percent, were originally enacted to ensure a broad distribution of the sacrifices required by an all-out war effort. They are no longer justified.

The prospect of pecuniary reward is only one of a number of forces motivating individuals to their best effort and to risk taking and investment, but it is an extremely important one. To promote risk taking and effort, the highest tax rate should not exceed 65 percent—a reduction of 29 percent from the present top rate.

Reduction in the top bracket tax rates will put an end to the diversion of effort on the part of some of our most productive citizens from economically valuable undertakings toward efforts to avoid the consequences of unjustifiably high tax rates. This reduction in the top tax rates will also remove the chief reason for a number of existing provisions in the tax law, such as those dealing with stock options and the dividend credit, which were primarily designed to reduce the impact of the high tax rates.

The proposed across-the-board reduction in individual tax rates, when fully in effect, will reduce tax liabilities by $11 billion (at 1963 levels of income). This reduction will be fairly spread among all income levels.

While tax rate revision is the most important reform of the individual income tax program it must incorporate structural changes as well. Only with these structural changes can we have rate reductions as extensive as are required to stimulate the return to full employment and higher rates of growth, achieve equity, and encourage efficiency in the use of resources. Our income tax now contains a variety of features that permit special treatment for income derived from selected sources, for certain personal expenses, and for some profits that are called capital gains but which are in fact ordinary income.

The objectives of the structural revisions recommended by the President are: the achievement of greater equity, bringing the tax treatment of persons in essentially similar positions more nearly to equality; simplifying the tax system and ending the diversion of energies and resources from productive activities to tax avoidance; insuring that the tax system does not encourage the allocation of resources to the production of some things at the cost of foregoing the production of others with a greater value to the economy; relieving the hardships borne by lower-income families and individuals to an extent not possible through rate reduction alone; and providing relief to our older citizens and to others for whom the income tax involves unwarranted hardships of a kind not amenable to relief through reform of the rate structure. Some reforms will add to tax receipts and others will result in a loss of revenue, with the net result being an addition to annual revenues of about $3 billion, compared with the direct revenue loss of $11 billion associated with tax rate reduction.

The two components of tax reform—rate revision and structural change—are inseparable. Neither one by itself is fully supportable if our economic and equity objectives are to be achieved. Rate reductions for individuals of the magnitude proposed by the President are not possible without the recovery of a substantial amount of revenue through structural reform of the tax base. Moreover, rate reduction by itself would leave the tax system in the untenable position in which certain provisions that are acceptable or even desirable under present high rates, but which have no justification under substantially reduced rates, would continue in existence.

I want to emphasize again that the combined effect of structural reform and rate reduction is to reduce the tax liabilities of virtually all taxpayers. Those very few who may experience an increase in tax liability in any one year are not likely to be in such a position year after year. In every case where more than a

few dollars is involved, this results from reforms designed to end specific defects and preferences.

RELIEF OF HARDSHIP AND ENCOURAGEMENT OF GROWTH

The structural reforms recommended under this heading are designed to provide relief for individuals and families at the lowest level of the income scale beyond that which can be provided through rate reduction, liberalize the child care deduction, and make it achieve more nearly its policy objective, provide more generous and more equal treatment of older people, facilitate labor mobility, and remove the inequities that arise in the case of people whose incomes fluctuate widely from year to year.

Although the revenue cost of enactment of these proposals would be comparatively modest at $740 million per year, their enactment will go far toward achieving greater equity in the tax system, encouraging growth, and alleviating hardships encountered by very low income and older people.

The minimum standard deduction

The President and I share the view of those who believe that the individual income tax should not apply at levels of income as low as $667 for single persons and $1,333 for married couples. This is the area of poverty in every sense of the word. Supporting even minimum levels of existence on incomes such as these is very difficult. Any tax reform which failed to attack these problems would not be worthy of the name "reform."

It has frequently been urged that relief to low income taxpayers be provided by raising the personal exemption above its present level of $600. But this is an extremely costly approach—an increase of only $100 would cost $3 billion at current rates, $2.3 billion at the proposed rates. Moreover, an increase in exemptions offers greater tax savings the higher the income of the taxpayer, thus wasting much of the revenue that it would cost if its objective were to be achieved through this route.

As a more effective and far less costly means of achieving the same objective, the President has recommended the adoption of a minimum standard deduction. Under present law the standard deduction cannot exceed 10 percent of a person's income up to a maximum of $1,000. Under the President's proposal each taxpayer would be given the additional option of a minimum standard deduction of $300 plus $100 for each additional dependent, including his spouse, up to a maximum of $1,000. The annual revenue cost of this proposal would be $310 million per year, approximately one-eighth of the cost of adding only $100 to the existing $600 exemption. The relief that it would provide would be concentrated almost entirely among those with adjusted gross incomes of less than $5,000.

The adoption of this proposal would mean that single individuals would remain free of income tax liability until their incomes exceeded $900 rather than the present $667, thus giving them the equivalent of an increase in the personal exemption of $233. A married couple, who now may pay tax on that part of their income in excess of $1,333, would be taxed only on income in excess of $1,600, the equivalent of an increase of $133 in the personal exemption. A married couple with two children, now subject to tax on income in excess of $2,666, would be entitled to a minimum standard deduction of $600, thus exempting them from tax liability on income up to $3,000. This is the equivalent, for this family, of an increase of $83 per exemption.

Enactment of this proposal would have the additional advantage of substantially simplifying the preparation of tax returns and reducing the record-keeping burden for many low income families and individuals.

Liberalization of the deduction for care of children and disabled dependents

The present provisions of the law allowing a deduction for the expenses of child care and the care of other dependents who are unable to look after themselves is too restrictive. The President has recommended that the deduction be liberalized by giving recognition to present-day income levels and costs and that the deduction be made more equitable and meaningful in other respects.

The $600 maximum amount which may now be deducted is fixed irrespective of the number of children for whom care is required. This maximum deduction should be liberalized so as to allow up to $600 for one child or other dependent, $900 for two, and up to $1,000 for three or more. It is clear that, particularly when child care is provided outside the home, its cost increases as the number of

children increases. The larger maximum deduction will provide additional relief for families with more than one child.

The deduction should also be made more effective for a married woman with children. Raising the limitation for full qualification for the deduction from $4,500 to $7,000 would provide a fairer recognition of the problems faced by working mothers.

Other liberalizing features of this proposal include raising the age limit of children who are considered dependents for purposes of the child care deduction from 11 to 12 and allowing the deduction to a married man whose wife is confined to an institution and to a deserted wife.

The annual revenue cost of these changes would be $20 million, most of which would benefit about 400,000 taxpayers with incomes of less than $7,000 per year.

The tax treatment of older people

The tax law now provides benefits for persons aged 65 and over that vary widely among persons according to the source of their income. For example, a single person over 65 years of age with an income of $3,000 who takes the standard deduction may pay a tax ranging from zero if his income is in the form of interest and rent, to $23 if he receives $1,400 in social security benefits and $1,600 in other retirement income, up to $300 if his income consists entirely of wages.

The added personal exemption allowed to individuals over 65 years of age provides the greatest tax relief at income levels where it is least needed. Under present law it amounts to a tax saving of $546 at one extreme, but only $120 if the individual is taxable only at the first bracket rate. The present retirement income credit benefits about one-sixth of our older taxpayers, at a cost of almost bewildering complexity.

The President's recommendations in this area call for the granting of a $300 credit against tax liability otherwise owing for all people 65 years of age and over regardless of the source of their income.

This credit would replace both the extra exemption allowed to older people and the retirement income credit. It would be of far greater value to the vast majority of older taxpayers. Under present law the amount of retirement income utilized in computing the retirement income credit is reduced, dollar for dollar, by social security and railroad retirement benefits received. The proposed $300 credit would also be reduced, but only by a limited amount. This reduction would be equal to the taxpayer's bracket rate times one-half of the benefits received—that portion attributable to the employer's contribution.

The enactment of this proposal would mean that single older people would not be subject to income tax liability unless their incomes exceed $2,900, whereas at present an aged individual may be taxed if his income exceeds as little as $1,333. For married couples the equivalent figure is approximately $5,800, compared with $2,667 at present.

Because the $300 tax credit would be available to all older persons without regard to the source of their incomes, it will remove the substantial tax penalty now imposed upon those over age 65 who choose to continue in gainful employment. Many of these people strongly prefer to continue to work, and in the interest of physical and mental health, equity, and economic growth should no longer be deterred from doing so as a consequence of the impact of the income tax law.

This proposal offers the further important advantage of greatly simplifying the preparation of tax returns. It will eliminate the complicated computation schedule for the retirement income credit which now covers two-thirds of an entire page on the tax return.

While the vast majority of older taxpayers will have their taxes reduced by this proposal, those in the higher income brackets would pay somewhat more. For instance, the present $600 extra exemption for those over 65 would be worth more than the $300 credit to all those whose tax rate exceeds 50 percent. This is entirely equitable since these upper bracket taxpayers are not in any need because of their age. They will in any event benefit far more from the reduction in rates than from the very modest reduction in their old age tax benefits.

The great advantages of the President's proposal in this area are the more liberal treatment of those older people who are most in need and the substantial simplification of tax returns. It would cost $320 million per year, almost all of which would benefit taxpayers with less than $10,000 per year in income.

Liberalization of employee moving expenses

The treatment of reimbursed moving expenses under present law is a deterrent to the mobility of labor that is so important to the reduction of structural unemployment. Employees are now allowed, within limits, to exclude reimbursed moving expenses from gross income while continuing to work for the same employer when the move is made primarily for the employer's convenience. Reimbursed moving expenses, however, are not allowed as an exclusion from income subject to tax if they are paid by a new employer. Nor is the employee who moves and pays his own moving expenses permitted to deduct such expenses for tax purposes.

The present law, therefore, draws a line of distinction between old and new employees on the one hand and reimbursed versus nonreimbursed moving expenses on the other. Subject to the limitations detailed in the technical explanation, moving expenses of all employees should be allowed as a deduction for purposes of computing income tax liability. In connection with this proposal, the rules defining deductions for expenses of travel away from home should be clarified.

Enactment of this proposal will both increase labor mobility and achieve greater fairness among taxpayers. Its estimated annual cost to the Treasury is $50 million.

Income averaging

Under the graduated rate structure of the individual income tax, taxpayers whose incomes fluctuate widely from year to year pay far more in tax than others whose incomes are equal in amount but spread more evenly over time. The present law provides averaging relief in certain special cases, but these are complex, varied, and narrowly confined. A uniform formula should be adopted which would apply generally to all individuals with widely fluctuating incomes.

A 5-year averaging formula is described in detail in the technical explanation attached to my statement.[1] In general, it provides that averaging would apply to all individuals whose income in the fifth year exceeds their average income in the 4 preceding years by at least one-third. The portion of their income subject to averaging would be, with certain necessary constraints, income in excess of 133⅓ percent of the average income for the immediately preceding 4 years. This excess income would be taxed in an amount equal to five times the tax payable on the first one-fifth of it. The new averaging formula will provide fairer tax treatment for authors, professional artists, actors, and athletes, as well as farmers, ranchers, fishermen, attorneys, architects, and others whose incomes vary widely from year to year.

The estimated annual revenue cost of this provision is $40 million.

Charitable contributions

Present law allows individual taxpayers a basic deduction of up to 20 percent of adjusted gross income for general philanthropic giving. It also allows the deduction of an extra 10 percent of a taxpayer's adjusted gross income for direct contributions to churches, educational institutions, and medical facilities and research in order to encourage the availability of freely spendable funds for these organizations. The President has recommended that this limit on the deduction for charitable contributions be liberalized and made more uniform.

In order to achieve this objective the 30-percent overall limit should be extended to include contributions to all organizations eligible for the charitable contributions deduction which are publicly supported and controlled. This would include community chests, museums, symphony orchestras, etc. Contributions to private foundations and trust funds would continue under the present 20-percent limit.

Although the revenue cost is expected to be minor, the enactment of this proposal would promote and encourage cultural and educational activities as well as privately supported social welfare endeavors.

Simplification and liberalization of the medical expense deduction

Taxpayers under the age of 65 are now permitted to count toward the computation of deductible medical expense outlays for medicines and drugs only to the extent that they exceed 1 percent of adjusted gross income. Medical expenses, including this excess over 1 percent for medicine and drugs, are deductible to the extent that they exceed 3 percent of adjusted gross income. This is a highly complex arrangement which should be simplified by combining the 1-percent and the 3-percent floors. Under this proposal medical and drug expenses which

[1] Omitted from this exhibit; for document reference see note at end of this statement.

together exceed 4-percent of adjusted gross income would be counted as expenditures eligible for inclusion in the taxpayer's itemized deductions.

Persons aged 65 and over are now subject only to the 1-percent floor on drug expenses. As a further aid to the aged and, again, in the interest of simplification, this floor should be eliminated.

The present law permits the deduction of medical expenses of up to $5,000 for a single person, $10,000 for a married couple, and $20,000 for a married couple with two or more dependents. This maximum dollar limit, while more than adequate in the vast majority of cases, may be unfairly restrictive when truly catastrophic medical expenses are incurred. It is, of course, these cases which involve the most serious hardship. The President has, therefore, recommended that the maximum dollar limit on medical deductions be eliminated.

In conjunction with the liberalization of the medical expense deduction, however, and in order to prevent possible abuses, it will be necessary to improve the statutory definition of medical and drug expenses. The details of the Treasury's suggestions in this area are contained in the technical explanation attached to my statement.[1]

The annual revenue cost of enactment of this recommendation would be minor.

BASE BROADENING AND EQUITY

The proposals I am about to describe derive their importance first of all from the fact that unless they are enacted it will be impossible to achieve the rate reduction recommended by the President for individuals and corporations while keeping the overall tax reduction within the limit of prudent fiscal responsibility. And, in some cases, the lower rates simply cannot be justified without them.

A floor under itemized deductions

The major base broadening proposal contained in the President's tax reform program would permit taxpayers who itemize their deductions to deduct only that part of their eligible expenses which exceeds 5 percent of their adjusted gross income.

On the average, the taxpayer who itemizes now deducts 20 percent of his income for itemized personal expenses. Under the proposal, the average taxpayer who itemizes would subtract 15 percent of his income for these personal expenses—the original 20 percent less the new 5-percent floor. And the standard deduction, liberalized for lower income taxpayers in the manner I have described, will be available for taxpayers who wish to use it as an alternative to itemizing deductions.

Since the proposal involving this 5-percent floor has produced some misunderstanding, I would like to stress some facts regarding this proposal:

The 5-percent floor under itemized deductions will not go into effect this year. The President has proposed that it be put into effect starting January 1, 1964. By that time, three-quarters of the proposed $11 billion in tax rate reductions for individuals will also be in effect.

The 5-percent floor is not a ceiling. There is no upper limit on the total amount of allowable deductions. Use of a "floor" means that all deductions in excess of a certain amount—5 percent of income, in this case—will be fully allowed.

Virtually every taxpayer who itemizes his deductible personal expenses—except for a small number of unusual cases—will receive a tax reduction. The average tax cut for those who now itemize—taking into account the effects of the planned rate reduction, the proposed 5-percent floor on deductions, and all the other tax reforms proposed—will be 14 percent.

The tax program will benefit—not discourage—homeownership and charitable giving. First of all, nearly every individual and family, as a result of the tax rate reductions, will have more money available for every kind of spending and giving. They will, as a result, find it easier to meet the monthly payments on a house or to increase their support of church and other community activities. Second, the vast majority of families will find that most of their present deductions and every single additional dollar they pay out in interest or give to charity remains fully deductible on their tax returns. That is because the average taxpayer who itemizes already has deductions that amount to nearly 20 percent of his income. The 5-percent floor will, therefore, not in anyway affect the bulk of these deductions. And any additional deductions will simply "float on top" and be fully allowable.

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[1] Omitted from this exhibit; for document reference see note at end of this statement.

For example, take the case of a family with income of $10,000 that now has itemized deductions totaling $1,700, of which $650 is the interest on their mortgage. If they move into a larger house, their first-year interest payments on the new mortgage might go up to $1,200. Every bit of the additional $550 in interest would be fully deductible.

Adoption of the 5-percent floor under itemized deductions would go far toward arresting the erosion of the tax base. These itemized deductions have increased from less than $10 billion in 1950 to $27.5 billion in 1958 and to $40 billion in 1962. As your Chairman has frequently pointed out, it is important that a larger proportion of total personal income be included in taxable income if the income tax is to continue to be an effective revenue instrument with reasonable rates.

The 5-percent floor would recover approximately two-thirds of the $3.3 billion of revenue needed to keep the net tax reduction called for under the President's program to $10.3 billion. Without the floor, tax rates would have to be significantly higher than those proposed, particularly in the middle and upper income brackets.

The adoption of the 5-percent floor in exchange for far lower tax rates, particularly in the middle and upper income brackets, is clearly in the best interests of the economy and the individual taxpayer. A principal objective of the proposal to reduce tax rates substantially is to stimulate incentives. For this purpose it is most important that the tax rates applicable to the increased income obtained through additional effort, risk taking, and investment be taxed at rates that are as low as possible. There is considerably more incentive for extra effort when the aftertax return from this effort is about 35 cents than when it is only about 25 cents, as it would have to be in the top tax bracket without the 5-percent floor. While individual taxpayers will experience a reduction in their itemized deductions, they will, with only very few exceptions, enjoy a substantial cut in their overall tax liabilities.

I have heard it said that the 5-percent floor on itemized deductions weighs most heavily on middle income groups—for example, the $10,000 man who owns and occupies his own home—and does not much affect higher income groups. This simply is not true. As the attached table 6 [1] demonstrates, the impact of the floor increases relative to tax liabilities as income increases and, as I have repeatedly emphasized, the rate cuts and other structural changes provided in the tax program will in virtually all cases far more than offset the effect of the floor. Indeed, taxpayers would have to find themselves in the unusual situation of having itemized deductions and exemptions amounting to about 70 to 85 percent or more of their adjusted gross incomes before the cost of this provision could equal the benefits of the proposed rate reductions.

Finally, the floor under itemized deductions will greatly simplify tax returns and recordkeeping problems for some 7 million taxpayers who will find it to their advantage to use the standard deduction. This will reverse the trend away from the simpler standard deduction. Less than 60 percent of all taxpayers now take the standard deduction, compared with 82 percent in 1944. Many low and moderate income taxpayers who now itemize tax deductions will find their taxes reduced not only by the reduction in rates but because of the opportunity afforded to them to take the new minimum standard deduction.

Minor casualty losses

Casualty losses are now allowed in full under the itemized deductions. The President's tax program includes the recommendation that only casualty losses that are extraordinary and which may, therefore, be said to involve substantial hardship should be allowed as a deduction.

The objective of the casualty loss deduction is analogous to the deduction for medical expenses—it should be designed to take into account for purposes of computing taxable income extraordinary, nonrecurring losses which go beyond the usual run-of-the-mill losses that are really a part of almost everyone's ordinary living expenses. Thus, casualty losses should be considered eligible for inclusion as an itemized deduction only to the extent that they exceed 4 percent of the taxpayer's adjusted gross income. This corresponds to the 4-percent floor under medical expenses.

Allowing the deduction of casualty losses only to the extent they exceed 4 percent of income will increase annual tax receipts by about $90 million.

[1] Omitted from this exhibit; for document reference see note at end of this statement.

The unlimited deduction for charitable contributions

The deduction of charitable contributions is generally limited to 20 or 30 percent of adjusted gross income. The present law, however, allows an unlimited deduction for charitable contributions in the case of taxpayers who, in at least 8 of the previous 10 years, have contributed to philanthropy an amount which, when added to their income tax liability, exceeds 90 percent of their taxable income.

Because of this so-called 8-out-of-10 rule a small number of people, some of whose incomes amount to several million dollars a year, contribute nothing through the Federal income tax to the support of their Government. The 90 percent of taxable income needed to qualify a taxpayer for this special deduction includes his tax liabilities as well as his charitable contributions. In many situations, therefore, the taxpayer needs to give little more than the otherwise allowable 30 percent of adjusted gross income. Thus, only a small amount of nondeductible contributions will qualify him under the 8-out-of-10 rule. Under this rule, for example, an individual may receive $1 million a year in dividends, give charitable contributions equal perhaps to only a fraction of the year's appreciation in the value of his property holdings, pay no tax, and have both a large tax-free income available for consumption and wind up the year with assets worth more than they had been worth the previous year.

While the contributions involved provide genuine public benefits in most or all cases, it is nevertheless fundamental to our democratic system and to a tax system that rests on ability-to-pay that those who can do so contribute their fair share to the cost of government. It is for these reasons that the President has recommended that the unlimited charitable deduction be repealed for future years and that all taxpayers be subject to the same 20- or 30-percent limit on deductions for charitable contributions. The annual increase in revenue is expected to amount to $10 million.

The sick pay exclusion

Under present law, employees who are absent from work because of illness or injury and who continue to receive wages or salaries under employer-financed wage or salary continuation plans (commonly known as "sick pay") may exclude from income subject to tax up to $100 a week of amounts so received. This sick pay exclusion is unjustified. The amounts received by affected employees are purely substitutes for regular wages or salaries which ordinarily would be subject to tax. They are not related to the nature of the illness or injury.

The sick pay exclusion involves gross inequality in the treatment of taxpayers and may readily be abused. An employee who stays at home because of a minor injury which requires little or no medical expense may exclude up to $100 per week from his wages. His coworker on the job enjoys no such exclusion. The result is a larger aftertax income for the employee who stays at home. The employee who stays on the job even though ill or injured is in fact penalized for working.

Furthermore, the sick pay exclusion provides tax savings to employees that increase with the level of income because the exclusion comes "off the top" of taxable income and the benefits are, therefore, proportionate to the highest bracket tax rate to which the taxpayer is subject.

Under the President's recommendation that the sick pay exclusion be repealed, employees would continue to exclude from gross income reimbursement for actual medical expenses and payments under workmen's compensation and other similar plans for injuries suffered without relation to the period of absence from work. In addition, of course, employees who are ill or injured will continue to deduct eligible medical expenses from adjusted gross income. This deductibility of medical expenses is adequate recognition of the loss in taxpaying capacity of employees who are at home because of illness or injury and continue to be paid their salaries.

There is one matter in this area that may deserve special attention. Although it is not specifically mentioned in the law, and apparently was not contemplated in 1954 when the sick pay exclusion was adopted, the present Internal Revenue regulations state that permanent disability pensions are covered under the sick pay provisions even though a return to work is not contemplated. It would seem only fair to provide that those receiving disability pensions under existing contracts should retain their present benefits.

The repeal of the sick pay exclusion would increase tax receipts by $160 million per year.

Exclusion of premiums on group term life insurance

Employees are not taxed on the premiums paid by their employers to provide them with group term life insurance. This life insurance protection is of substantial economic value. On the other hand, where the employer provides life insurance protection for his employees other than through group term plans, such current protection is taxable income to the employee. Thus, the group term life insurance rule stands alone as an exception to uniform treatment of employer-purchased life insurance. Even in the case of group term life insurance, when the plan is contributory, some employees pay all or part of the premium out of aftertax income.

In recent years, moreover, widespread abuses of this exclusion privilege have developed. Thus, the provision of "jumbo" group term insurance coverage for high income executives has become a common method of providing substantial tax-free compensation for services. In some instances highly paid executives have been given tax-free life insurance coverage exceeding $500,000.

This situation should be corrected by requiring that the current annual value to him of employer-financed group term life insurance be included in the income of the employee with an exception for the first $5,000 of coverage. This exception for group term life insurance would correspond to the existing exclusion for $5,000 of uninsured employer-financed death benefits. It would leave unaffected more than two-thirds of persons now covered under contracts, since employee contributions would be applied against the otherwise taxable coverage.

Appropriate provisions should also be adopted to curb abuses under other devices to finance the purchase of insurance on the basis of tax deductions and tax-free income. A proposal that would achieve this objective is described in the attached technical explanation.

These proposals with respect to insurance arrangements would increase revenues by an estimated $60 million per year.

Repeal of the dividend credit and exclusion

Present law allows an exclusion from income of the first $50 of dividends received from domestic corporations and a credit against tax equal to 4 percent of dividend income in excess of $50. In his tax message, the President repeated his recommendation to the Congress of 1961 and urged the repeal of these provisions.

The dividend credit and exclusion fail either to encourage equity investment or to provide a satisfactory partial offset to the so-called double taxation of dividend income. Nevertheless, they involve a substantial annual revenue loss, amounting to $460 million at current levels of reported dividends.

The dividend credit and exclusion have proven to be both discriminatory and inequitable. The existence of double taxation is a controversial issue on which both business and academic economists differ. Nevertheless, even assuming double taxation, the fact remains that the dividend credit and exclusion provide considerably more relief to high-income dividend recipients than to individuals with low incomes. Under the individual tax rates recommended by the President and present corporate tax rates, the dividend credit and exclusion would reduce double taxation by 10.4 percent for the highest bracket stockholder, 4.3 percent for those subject only to the first bracket rate, and zero for the dividend recipient whose income is below taxable levels.

On the other hand, the 5-point corporate rate reduction contained in the President's proposals will not only make investment funds directly available to corporations but it will also provide relief from double taxation of approximately 10 percent for all shareholders irrespective of their income.

The record of the past 8 years during which the dividend credit and exclusion have been operative shows no evidence that they have been effective in increasing investment in corporate equity securities. Although the number of shareholders has increased markedly, net purchases of equity securities by individuals have not. Moreover, the record demonstrates that in recent years other outlets for personal savings have outpaced net purchases of corporate stock. Nor has the ratio of equity to debt financing by corporations increased.

Finally, because the benefits of the dividend credit and exclusion go largely to those in the middle and upper income brackets, their repeal is necessary to justify the rate schedules recommended by the President. Should no action be taken on the repeal of the credit and exclusion, a higher individual rate schedule designed to yield an additional $460 million from the middle and upper brackets would be

appropriate. This would involve a rate structure scaled to a top rate of 69 percent rather than 65 percent, with appropriate changes in other brackets.

Personal holding companies

For many years the revenue laws have recognized the necessity of imposing special taxes on the undistributed investment and personal service income of personal holding companies, to prevent their use by high-bracket taxpayers as personal income tax shelters.

As the President indicated in his tax message, there is evidence that weaknesses in the tax rules regarding personal holding companies have permitted the personal holding company to continue as a tax avoidance device.

The existing tests have operated in many situations to sanction the accumulation of investment income in closely held corporations, thus short circuiting the graduated personal income tax. These deficiencies relate primarily to sheltering of investment income by small amounts of operating income or relatively passive investment income such as rents and mineral and copyright royalties.

Specific proposals that would correct the various deficiencies in this area are detailed in the attached technical explanation.

Enactment of these proposals would increase annual revenues by approximately $10 million.

III. Capital Gains and Losses

One of the most important phases of the tax law in which the President has recommended changes designed to release the forces of growth is the treatment of capital gains and losses.

This part of the tax system has not undergone needed basic revision since 1942. The present provisions are both inequitable in essential respects and detrimental to the mobility of investment funds and liquidity in capital markets. The broad definition of capital gains permits certain types of ordinary income to be taxed at capital gains rates, thus making it more difficult to set an appropriate rate of taxation for true capital gains.

An overhaul of these provisions can make an important contribution to a stronger economy and a fairer tax system. Reduction of tax barriers to the free flow of investment and risk capital will not only add to the strength and buoyancy of the economy but will also produce several hundred million dollars of additional revenue annually.

The details of the President's proposals in this area may be found in the attached technical explanation.[1] I should like to review the basic features of these proposals and the reasons for my support of them.

Percentage inclusion

The President has recommended that the percentage of long-term capital gains included in taxable income of individuals be reduced from the present 50 percent of the gain to 30 percent. In combination with the proposed individual income tax rate schedule, this will result in capital gains tax rates ranging from 4.2 percent to a maximum of 19.5 percent, compared with an existing range of 10 to 25 percent. It will result in more equal treatment of individuals in various income groups. Unlike the present arrangement, the relative differential between capital gains tax rates and ordinary income tax rates would be the same at all levels of income.

While this would provide a reduction of 22 percent in the capital gains tax for those in the highest bracket, the reductions would be substantially greater for all other taxpayers. For instance under present law the 25-percent rate applies whenever ordinary taxable income plus capital gains exceeds $16,000 for a single individual and $32,000 for a married couple. At this same level the effective rate under the President's proposals would be only 12 percent. The attached table 12 [1] shows the effective rates at various income levels.

Independent outside surveys, our own studies, and letters and comments which are received daily from taxpayers throughout the country indicate clearly that these substantial reductions will increase taxpayers' willingness to realize capital gains and stimulate a larger turnover of capital assets.

Thus the recommended 30-percent inclusion ratio would stimulate a freer flow of investment funds and at the same time provide a more even-handed treatment of taxpayers in all income brackets.

[1] Omitted from this exhibit; for document reference see note at end of this statement.

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Capital gains of corporations

Corporations should share in the reduction in capital gains tax rates. In line with the reduction of general corporate tax rates, the President has recommended that the present basic structure of capital gains taxation for corporations be retained but that the alternative rate be reduced from the present 25 percent to 22 percent. The 22-percent rate corresponds to the proposed reduced corporate normal tax rate. This will simplify tax accounting for capital gains for almost half a million corporations subject only to the normal tax.

Holding period

The present preferential treatment of assets disposed of within a period of less than a year is difficult to justify either on economic or equity grounds. The 6-month holding period frequently qualifies purely speculative profits. It also makes it less risky to carry out various maneuvers designed to convert ordinary income into capital gains.

A longer holding period makes it possible to provide more liberal treatment for bona fide investment gains without applying unjustified reductions to income from short-term trading in securities. Moreover, the substantial reduction in ordinary income tax rates must be taken into account in considering the proper holding period, as even short-term gains will be taxed at lower rates.

It is for these reasons that the President has recommended that the holding period be lengthened from 6 months to 1 year.

Capital loss carryover

Under existing law, net capital losses of up to $1,000 incurred in any one year may be charged against ordinary income in that year. Any remaining loss may then be carried forward for 5 years as a short-term capital loss applicable first against capital gains and then available as an offset to ordinary income to the extent of $1,000 in each of the 5 years.

Large investors with diversified portfolios are generally in a position to balance out gains and losses within the 5-year period. The 5-year limitation, however, frequently works a hardship on the smaller investor who sustains a considerable loss and cannot fully match it either with capital gains or the $1,000 annual income offset. Permitting unabsorbed capital losses to be carried forward for an indefinite period, as recommended by the President, would improve the equity of the capital gains tax, provide greater assurance to the small investor that capital losses he may sustain will eventually be absorbed by capital gains or other taxable income, improve investment odds for the risk-taker, and increase the effective supply of investment funds for growth.

Equal treatment of gains accrued on capital assets at time of transfer by gift or at death

Present law permits the exemption from income tax of capital gains accrued when the appreciated assets are transferred at death. The prospect of eventual tax-free transfer of accrued gains with a stepped-up basis equal to the new market value in the hands of heirs distorts investment choices and frequently results in complete immobility of investments of older persons.

The President has recommended that the proposed reduction in the capital gains tax be accompanied by the taxation at long-term capital gain rates of net gains accrued on capital assets at the time of transfer, at death, or by gift. This would not apply to assets transferred as charitable gifts or bequests.

This recommendation is an essential element of the overall program of substantial reduction in capital gains tax rates. The reduction in capital gains tax rates alone would not effectively deal with the "lock-in" problem. Without this broader, more equal capital gains tax base, there would be no justification for lowering capital gains tax rates.

This proposal would be accompanied by several features that would effectively eliminate hardships that might otherwise arise. Let me outline these features.

First, the capital gains tax would reduce the base of the estate tax, so that for the largest estates the incremental tax on accrued gains would be only 4½ percent.

Second, all ordinary personal and household effects such as clothing, appliances, and furniture would be exempt.

Third, I have already mentioned the continued exemption for property passing to charity.

Fourth, a marital deduction would be provided similar to related provisions of the estate and gift taxes so as to assure uniformity in the treatment of residents of

community property and common law States. It would be necessary in case of the marital deduction to provide for a carryover of the original basis so that the tax could eventually be collected.

Fifth, an additional blanket exemption of $15,000 of gain would apply to every taxpayer.

Sixth, special provisions would integrate the exemption of a principal residence with the marital deduction and the $15,000 exemption. These would insure that no one would have to pay tax on the transfer of a home to a surviving wife or husband, or if there were none, to children or other heirs.

The foregoing exceptions and exemptions would limit any impact whatsoever of the proposal to fewer than 3 percent of those who die each year. A number of other provisions set forth relief and transition rules. These rules, when combined with the reduced rates of tax on capital gains and integration with the estate tax, will in most cases mean that taxpayers with capital gains will pay much lower aggregate taxes on those gains over their lifetimes than under present law. These rules are:

First, a 5-year averaging provision would be applicable to limit the tax on gain at death to five times the tax on the first one-fifth of the gain.

Second, accrued losses at death would be fully utilized through a special carry-back provision.

Third, to help those estates with liquidity problems certain provisions of present law, permitting installment payment of estate taxes and redemptions of corporate stock without dividend consequences, would apply to the capital gains tax on transfers at death. These provisions should also be liberalized both for estate tax and capital gains purposes, so as to more adequately accomplish the purpose for which they were designed.

Fourth, provision should be made to enable taxpayers to accommodate their estate plans to the new rules through an appropriate transition device. One way in which this might be accomplished would be to set a 3- or 5-year transition period. If a 5-year period were used, the estate of a person dying in 1964 would pay tax on one-fifth of the gains on transfer at death, that of a person dying in 1965 on two-fifths, and so on, with full taxation applying in 1968. A 3-year period would operate in similar fashion, providing full taxation by 1966.

More complete details of how these proposals would operate are set forth in the technical explanation.[1] This explanation also illustrates its impact on the estates of representative decedents. It shows that a decedent with an estate of $105,000, with $30,000 of appreciation, would pay neither estate nor income tax. A decedent with an estate of $350,000 and $210,000 of appreciation, almost two-thirds of his estate, would pay additional taxes on account of the $210,000 appreciation of $5,452—1.6 percent of his gross estate. A decedent with a $5 million estate and $2 million of appreciation would pay additional taxes of $76,580—the $2 million of appreciation being taxed at an effective rate of 3.8 percent.

In each of these illustrations, however, the additional taxes, if any, at death would be more than offset by the new lower capital gains rates, if any significant amount of gains were realized during lifetime.

Thus the new treatment of capital gains will result in seriously heavier taxation for none, lower taxation for most, and more equitable treatment for all. At the same time, through the effect of lower rates coupled with the removal of the "lock-in" effect of the present law, it will add substantially to revenues both directly and indirectly by encouraging far greater mobility and turnover of appreciated assets.

Definitional changes

The President's recommendations in this area call for tightening of the definition of capital gains designed to reverse the trend, inspired by wartime increases in tax rates, toward the progressive extension of capital gains treatment to a variety of ordinary income sources.

Proposed reductions in ordinary income tax rates make the redefinition of capital gains desirable and feasible. It is made imperative by the substantial reduction in the tax rates applicable to true capital gains.

The existing scope of the capital gain area has led to widespread economic distortions and tax avoidance techniques. In the absence of corrective action these would tend to be intensified by the lower capital gains rates.

1. *Stock options.*—Stock options which permit executives to purchase stock at a price below its market value represent compensation for services, just like wages

[1] Omitted from this exhibit; for document reference see note at end of this statement.

and salaries. This special treatment of stock options has been justified on the ground that it provides additional incentives for executives by giving them an indirect means of reducing the burden of high income taxes. The President's proposed lower income tax rate schedule would make it unneccessary to provide such incentives indirectly. Fully equivalent incentives at equal or lower cost will be possible through direct salary increases at the proposed lower rates.

The special treatment of stock options should be repealed and the spread between the value of the stock at the date an option is exercised and the option price should be taxed as ordinary income at the time of exercise. The income averaging proposal described earlier will apply to these gains, thus preventing hardships arising as a consequence of the bunching of large amounts of income realized in this form in any one year. In addition, the tax attributable to the exercise of stock options could be payable in installments over a period of several years.

I want to make it clear, finally, that the proposal with respect to the tax treatment of stock options should apply only to options granted after the date of the President's tax message, January 24, 1963. Thus it would have prospective application only and would not apply to gains arising out of options received prior to that date.

Treatment symmetrical with that applicable to other forms of compensation requires that the employer be permitted to deduct the amount of gain that is taxable to the employee. For this reason, the revenue effect of this proposal is expected to be minor.

2. *Real estate tax shelters.*—Under existing law, a taxpayer deducts depreciation on real property from ordinary income, but pays tax upon a gain from a sale of the property at capital gains rates. In those cases in which the allowances for depreciation exceed the actual decline in economic value of the property, the taxpayer is permitted, in effect, to convert ordinary income into capital gain. This advantage is compounded by the fact that the acquisition of real estate is usually financed by a mortgage on the property, and depreciation deductions are allowed on an amount equivalent to the indebtedness as well as the taxpayer's equity investment. It is further increased by the use of double-declining depreciation which is peculiarly inappropriate since experience shows that large buildings, unlike machinery and equipment, do not decline most rapidly in value during the earlier years of their life. Rather the reverse is true. These large depreciation deductions permit the tax-free amortization of the mortgage to which the property is subject. They also permit a substantial tax-free cash return on the investment and frequently they enable the taxpayer to show a loss from year to year which he may offset against other ordinary income which would otherwise be subject to tax at the taxpayer's top marginal tax rate. They are increasingly encouraging unhealthy investment practices and may threaten legitimate real estate development.

Accelerated depreciation is not needed for real estate. As to real property hereafter acquired, depreciation should therefore not exceed that allowed under the straight-line method.

In addition, the provisions of section 1245 of the Internal Revenue Code adopted last year, denying capital gain treatment on sale of depreciable equipment to the extent of previous depreciation, should be extended, with appropriate modifications, to depreciable real estate. The technical explanation describes a sliding-scale cut-off to provide a fair treatment for long term investments in real estate.

3. *Capital gains on sales of mineral interests.*—Gains realized on the sale of mineral properties should be taxed under rules which prevent deductions from ordinary income being recouped and taxed at the new lower capital gains tax rates. Percentage depletion deductions which exceed the taxpayer's basis would not be affected by the recapture provision. Only that portion of a gain which represents repayment of costs that are capital in nature and deductible from ordinary income will be added back in the computation of the gain to be subject to ordinary income tax rates under this proposal.

Again this recommended provision will apply to mineral properties the same general principle that was approved by the Congress last year for depreciable equipment.

4. *Timber income.*—The present capital gain treatment, originally extended to income derived from the cutting of timber during the war, when the extremely high corporate income and excess profits taxes were a serious deterrent to achieving our wartime needs in this industry, cannot be justified as a matter of tax policy.

However, in considering the changes that are required as a matter of tax equity,

consideration must also be given to the economic situation of the timber industry and individual timber owners.

As a result of such consideration it would appear appropriate to preserve the present capital gains treatment for gains of individuals of up to $5,000 each year; this will continue present treatment, but at the new lower rates, including the lower capital gains rate, for over 95 percent of the individual taxpayers in this activity. As I outlined earlier, the income of small corporations would be taxed at 22 percent, the same rate whether their timber income is classified as capital gains or ordinary income.

In the case of those whose income from timber fluctuates widely from year to year relief would be provided by application of the general averaging rule that has been proposed for enactment.

With these relief provisions for those with small or sporadic income from timber, who will pay lower taxes than they do today, we do not believe that the proposed change, clearly sound from the standpoint of tax policy, will in its impact or operation pose any unsolvable difficulties to the timber industry as a whole. The proposed tax changes would affect only those taxpayers able to derive large and regular income from their timber operations.

This recommendation would apply to timber dispositions irrespective of whether the timber is sold outright, cut and sold by the owner, or sold with a retained economic interest. The $5,000 exception would exclude from the proposed treatment the numerous owners of timber tracts, woodlot farmers, or timber cutters who have only sporadic income from this source and receive only modest benefits from the capital gain treatment.

This change should be accompanied by permitting expenses for planting and reforestation, which are now capitalized, to be currently expensed. The current deduction of these outlays, along with regular cultivating expenses, would assist those conducting reforestation and good conservation practices.

5. *Lump-sum pension and profit-sharing distributions.*—Lump-sum distributions from pension and profit-sharing plans represent deferred compensation for services. Their recipients have had not only the benefit of deferral on taxation of this compensation, but also deferral of taxation on the accumulations of earnings under the plan. The distributions cannot realistically be classed as capital gains, especially with the proposed reductions in both the ordinary income and capital gains rates.

Such distributions should be taxed as ordinary income, but subject to a special 5-year averaging provision whose computation excludes the salary of the recipient in the year of distribution.

This change would be prospective only. Distributions attributable to accumulations now existing under profit-sharing plans and based upon pension credits already accrued would continue to receive capital gains treatment at the new reduced rates.

6. *Other definitional problems.*—Remedial legislation is also required in a variety of other capital gains areas. These include certain gains derived from the sale of livestock, citrus groves and similar farm property, patents, various types of royalties, installment sales, and life estates.

Further details of these proposals in the capital gains area are spelled out in the technical explanation.[1] The proposals as to livestock, citrus groves, and other farm property are carefully limited to abuse cases of persons with large amounts of nonfarm income who convert ordinary income into capital gains by charging farm expenses against other income and then realizing capital gains from the values created by these expenses.

Overall effects

Enactment of the President's recommendations for reduction and reform in the capital gains area would substantially reduce the amount of tax paid per dollar of capital gain realized. At the same time, the improved definition of capital gains, the extension of the holding period, and the taxation of capital gains at death will result in a net increase in revenue from this source of $100 million.

In addition, a substantial increase in revenue, estimated at $650 million, will be realized as a consequence of the unlocking effects of the proposals and the greater volume of capital transactions that can be confidently anticipated. The total increase in revenue from the capital gains proposal is, therefore, about $750 million per year.

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[1] Omitted from this exhibit; for document reference see note at end of this statement.

CONCLUSIONS

Early enactment of the President's tax program will strengthen the economy, reduce tax liabilities in a fair and comprehensive fashion, improve equity, and simplify taxpayers' compliance. It is a program which is in the interest of all our people. It merits broad support.

The proposed tax rate reductions and structural reforms, which together will reduce total tax liabilities by $10.3 billion, will revitalize our economy, create additional jobs, and raise output toward that level which we are capable of achieving. By increasing the reward for effort, enterprise, risk-taking, and investment, the program will strengthen individual initiative and stimulate investment, thus propelling our economy toward a faster rate of growth and a stronger future. It will add billions of dollars to our gross national product, provide jobs for our unemployed, and brighten prospects for advancement and job security for those who are now employed.

While a temporary revenue loss will be incurred at the outset, the stimulating effects of tax reduction and reform on the economy will give rise to subsequent revenue gains, and in the longer run the revenue producing powers of our tax structure will be raised substantially.

Only through long overdue tax reform can we bring our economy closer to its full potential. This is necessary if we are to realize our economic goals, both at home and abroad, and do so without the persistent budget deficits of recent years.

There is general agreement that this Nation requires major tax reform. There is also general agreement that this should be enacted as promptly as is consistent with orderly legislative process. Effective revision will involve net tax reduction, relief of hardships, and base-broadening reform. All will be needed if tax reform is to have its full effect on our economy.

The consensus for tax reform has grown stronger with every passing month. Now is the time to act. The President has sought to reflect this consensus in a balanced program, without wholly rejecting or accepting the particular emphasis that one group or another gives to the subject. Practically all who speak on the subject of taxes with any authority or a background of study and experience agree that the system should be modified and there is overwhelming accord on the general directions that revision should take. Differences which arise are largely those of degree and emphasis. I hope that, having examined these differences, the Congress will enact a modification of our tax laws along the general lines proposed by the President.

NOTE.—The exhibits omitted from this exhibit are published in Hearings before the Committee on Ways and Means, House of Representatives, 88th Congress, 1st session, on the tax recommendations of the President, transmitted to the Congress on February 6, 1963.

EXHIBIT 20.—Statement by Secretary of the Treasury Dillon, June 20, 1963, before the Senate Committee on Finance, on H.R. 6755, the Tax Rate Extension Act of 1963.

H.R. 6755 extends for another year certain taxes which otherwise would automatically expire or be reduced on July 1 of this year. These rate extensions are in accord with the recommendations of the President in his budget message of January 17.

Taxes covered by the bill are the corporation income tax and certain excises. The excises are those on alcoholic beverages, cigarettes, passenger automobiles, parts and accessories for automobiles, general (local) telephone service, and transportation of persons by air.

Under present law, the corporation normal tax rate would be reduced from 30 percent to 25 percent. The tax on distilled spirits would be lowered from $10.50 to $9 a gallon and that on beer from $9 to $8 a barrel. Minor decreases would be made in the taxes on wines. Cigarettes would benefit from a tax reduction to $3.50 per thousand as compared to the present $4 rate, that is, from 8 cents to 7 cents a package. The tax on manufacturers' sales of passenger automobiles would drop from 10 percent to 7 percent. For automobile parts, the reduction would be from 8 percent to 5 percent. Two excises are scheduled to be repealed: the 10-percent tax on general (local) telephone service and the 5-percent tax on amounts paid for transportation of persons by air.

Retention of these excise taxes at present rates for another year will prevent an estimated revenue loss of $1.7 billion in fiscal 1964. The loss from alcoholic beverages would be $434 million. The cigarette tax reduction would reduce revenues by $265 million, and reductions for passenger automobiles and automobile parts would cost $498 million. Repeal of the tax on general telephone service would curtail revenues by $430 million, while repeal of the tax on transportation of persons by air would cost $86 million.

Further details on excise revenue losses and rate changes are shown in the attached table.

The scheduled reduction in the corporate normal tax would reduce fiscal 1964 revenues by $1.2 billion; on a full-year basis the reduction would be $2.5 billion.

The President recommended continuation of present excise tax rates for another year even though he also recommended substantial reductions in income taxes over the next three years.[1] Before the President offered these recommendations, a thorough review of the various components of our Federal tax system was undertaken. The review was made in order to determine where reductions might most appropriately be made to stimulate the growth of our economic system and to determine what changes might also increase the overall equity of the tax system. As a result of this analysis, the President decided that these objectives would best be met by giving priority to adjustments in the scope of the income taxes and through significant reductions in present income tax rates. Admittedly, it would be possible to make reductions in excise taxes which would improve the excise tax system. However, the review concluded that income tax revision should receive first priority.

I might add that this review of the excise tax system also led us to the conclusion that the excises under consideration now are not necessarily those that should have first priority in a reform or reduction of excise taxes. More than a decade has passed since the so-called temporary Korean taxes were imposed. Changes have occurred since 1951 in the economic factors affecting industries subject to excises, many of which are World War II taxes not scheduled for automatic reduction. Our review led us to the conclusion that future excise reductions should be made only in the light of an up-to-date evaluation of the entire excise tax system.

Since the President has emphasized the importance of income tax reduction plus the need for retaining a reasonable limit on the total amount of tax reduction, I should like to indicate the relationship between the amount of the automatic excise tax reductions and President's income tax reduction proposals. The $1.7 billion of automatic excise reductions equals nearly 17 percent of the $10.3 billion of income tax reduction contemplated upon full implementation of the President's program. Total income tax reductions could be only five-sixths as large as recommended if the automatic excise tax reductions were allowed to take place. The $1.7 billion is even more significant if related only to the President's recommendation with respect to the corporation income tax. The $1.7 billion equals nearly two-thirds of the revenue loss that would result from the President's recommendation to reduce the corporation tax to 47 percent.

While the present law provides for reduction of the corporation income tax to 47 percent through reduction of the normal rate from 30 to 25 percent, the automatic reduction would differ significantly from the reduction proposed by the President. The President's recommendation would maintain the 52 percent corporation tax rate for the calendar year 1963 but would reverse the normal and surtax rates. The present normal tax of 30 percent applicable to the first $25,000 of taxable corporate income would be reduced to 22 percent, and the surtax applicable to income in excess of $25,000 would be increased from 22 percent to 30 percent. This reversal would reduce fiscal 1964 revenues by only $400 million and would substantially ease the burden on hundreds of thousands of small businesses which form the base of our free enterprise system. Two subsequent changes would be made in the surtax rate. It would drop to 28 percent for the calendar year 1964 and then to 25 percent for the calendar year 1965. When fully effective, the President's proposal would reduce the corporate tax liabilities by $2.6 billion at levels of income estimated for calendar year 1963.

The President's proposed revision of the corporate rate structure is part of the overall income tax program now being considered by the House Ways and Means Committee. Since there is no possibility of enactment of this larger program by July 1, it is necessary to take some action to prevent the presently scheduled corporate tax reduction from going into effect as of July 1. H.R.

[1] See also exhibit 18, President's Tax Message, January 24, 1963.

6755 proposes to meet this situation by amending present law to postpone the scheduled reduction for another year. I believe that this is the simplest way to take care of this problem.

As you will remember, the President recommended that the tax on air passenger transportation be made permanent, instead of merely extended, as in the case of the other excise rates covered in this bill. The President's recommendation in this connection was part of a larger recommendation covering a user charge program for the airways and waterways. The President also made these user charge proposals last year, but the Congress did not take any action on them except with respect to transportation of persons by air. Even in that case, provision was made for repeal of the tax as of this June 30.

It was hoped that maintenance of the tax until June 30, 1963, would have provided the Congress with an opportunity to review the user charge proposals this year while the most important revenue component, the tax on air passenger transportation, was still in effect. However, the extensive work being done by the House Ways and Means Committee on the President's income tax reduction and reform program necessarily has been given priority. The one-year extension of the tax on transportation of persons as proposed by H.R. 6755 will provide the desired continuity in this tax.

Increase in revenue resulting from extension of present excise tax rates

	Rate reduction scheduled as of July 1, 1963, under present law	Effect on net budget receipts, fiscal year 1964			Increase in revenue, full year
		Increase in receipts	Decrease in refunds	Total	
		(In millions of dollars)			
Alcohol:					
Distilled spirits	$10.50 to $9.00 per gallon	190	138	328	193
Beer	$9.00 to $8.00 per barrel	83	9	92	84
Wines	Various [1]	9	5	14	9
Total alcohol taxes		282	152	434	286
Tobacco:					
Cigarettes (small)	$4.00 to $3.50 per thousand	241	24	265	246
Manufacturers excise taxes:					
Passenger automobiles	10% to 7% of manufacturers price.	380	50	430	460
Parts and accessories for automobiles.	8% to 5% of manufacturers price.	68		68	82
Total manufacturers excise taxes.		448	50	498	542
Miscellaneous excise taxes:					
General telephone service	10% to 0	430		430	570
Transportation of persons by air.	5% to 0	86		86	105
Total miscellaneous excise taxes.		516		516	675
Total		1,487	226	1,713	1,749

[1] Sparkling wines (champagne) — $3.40 to $3.00 per gallon
Artifically carbonated wines — $2.40 to $2.00 per gallon
Still wines:
Not more than 14% alcohol — 17 cents to 15 cents per gallon
More than 14%, not over 21% alcohol — 67 cents to 60 cents per gallon
More than 21%, not over 24% alcohol — $2.25 to $2.00 per gallon
More than 24% alcohol — $10.50 to $9.00 per gallon
Liquors, cordials, or similar compounds produced domestically containing over 2½% wine, which wine contains over 14% alcohol (in lieu of rectification tax) — $1.92 to $1.60 per gallon

Exhibit 21.—Statement by Secretary of the Treasury Dillon, August 20, 1963, before the House Ways and Means Committee on the Interest Equalization Tax

My purpose in appearing before you today is to review the compelling considerations that have led the President to propose an interest equalization tax on purchases of foreign securities, to describe the proposed tax, and to urge its early enactment.

In the most general terms, the interest equalization tax is designed to bring the cost of capital raised by foreigners in the United States market into closer alignment with the costs prevailing in the markets of most other industrialized countries. This would be achieved by means of an excise tax on the acquisition from foreigners of foreign securities with maturities of three years or more.

This tax has been assigned a key role in our total effort to achieve prompt and lasting improvement in our balance of payments. Its specific purpose is to reduce the immediate strains on our position caused by a swelling outflow of long-term portfolio capital from this country, an outflow that threatens to delay beyond prudent limits the progress toward the external balance that we so urgently need. The tax will complement actions being taken to improve every other major sector in our international accounts.

Today, a disproportionate share of the demands for capital from all the world—from deficit and surplus countries alike—converges on the United States. In the short space of eighteen months, the volume of new foreign issues reaching the U.S. market has more than tripled, increasing from an average of less than $600 million over the years 1959–61, to $1.1 billion in 1962, and to an annual rate of almost $2 billion over the first six months of this year. A substantial portion of these rising demands must be diverted to markets in other nations, particularly those now in a strong external position, if the stability of the international financial system as a whole is to be protected.

The interest equalization tax is a transitional means for achieving this purpose. The need will end as longer-range measures to raise the profitability of investment in the United States, to restore external equilibrium, and to build more effective capital markets abroad become more effective. And the tax is essential for ensuring progress in reducing our own payments deficit over the difficult period that lies immediately ahead. It will help achieve our objectives in a manner fully consistent with our responsibilities to spur growth at home, to meet the most pressing needs of other nations particularly dependent on access to our capital market, and to maintain the framework of free markets.

The overall problem

While the basic problems in this area are long standing, the clear need for this particular action has developed only recently. The combination of circumstances that now make it compelling can be fully understood only within the context of our entire balance of payments, the many actions, short and long-run, being taken in other directions to restore balance, and the concurrent needs of domestic economic policy. These matters are discussed in my recent testimony before the Joint Economic Committee, and the President's Special Message on the Balance of Payments which spelled out our full action program.

As the President made clear, our overall deficit has declined appreciably from $3.9 billion in 1960 to $2.2 billion in 1962. Much of that progress, however, has reflected special intergovernmental arrangements with some of our friends abroad, such as debt prepayments and medium-term borrowings, which in total amounted to nearly $1.4 billion in 1962. Important as they are in protecting our gold stock, these special intergovernmental transactions cannot be considered a substitute for the progress we urgently need in reducing the hard core of our deficit.

This deficit on so-called "regular transactions"—that is, all transactions that emerge from the interplay of market forces and the established policies of this and other governments—totaled over $3½ billion in 1962, up about $500 million from 1961. During the first six months of this year, the annual rate moved still higher, to well over $4 billion. Preliminary figures for July indicate some improvement reducing the annual rate for the first seven months to approximately the $4 billion level.

The increase in our deficit on regular transactions has developed despite a continued large surplus on exports of goods and services, concerted efforts to reduce the balance-of-payments cost of Government spending abroad, and substantial military offset arrangements with Germany and Italy. It is due almost entirely to the accelerating outflow of long-term portfolio capital into new foreign issues.

For instance, while our deficit on regular transactions increased by $530 million in 1962 as compared to the previous year, U.S. purchases of new foreign issues grew by $553 million. During the first six months of 1963, this trend not only continued but accelerated and the annual rate of new foreign issues exceeded the 1962 rate by some $875 million.

Once again growing purchases of new foreign issues accounted for the entire increase in our deficit on regular transactions during the first six months of this year. The continuation of purchases of new foreign issues at any such rate threatens to deprive us of the time needed to improve our payments balance by the fundamental adjustments in other areas that necessarily take time to work themselves out.

We recognize that still more must and can be done to improve every major sector of our international accounts. As a result of an intensive review of the practical possibilities by the Cabinet Committee on the Balance of Payments, beginning last winter and completed only last month, the President has taken action to ensure a reduction of approximately $1 billion in the rate of Government overseas spending within the next 18 months.

Most importantly, we must improve the basic competitive position of our economy by stimulating cost-cutting investment and greater productivity, while maintaining stability of the general price level; this is, of course, a central objective of the tax program with which you are so familiar.

But we must also recognize that, in a highly competitive world economy, progress toward increasing our already large commercial surplus cannot be dramatic or swift. Nor can we expect savings in Government spending abroad, important as they will be, to produce a sufficient reduction in our deficit over the next critical year or two, before the tax program and other longer-range measures become fully effective.

The capital outflow

For many years, the United States has been an exporter of long-term capital, with the net flow of direct and long-term portfolio investment averaging over $2 billion a year since the mid-1950s. Following the widespread return of convertibility at the beginning of 1959, and the related elimination of restrictions on the use of foreign short-term funds in the industrialized countries of Europe, a large outward flow of short-term capital has developed as well. Since 1959 short-term U.S. investment abroad—including unrecorded transactions, changes in which are believed largely to reflect variations in the movement of short-term capital that are not covered by our reporting system—has also averaged close to $2 billion a year.

Faced with this outward flow of capital—netting out to roughly $4 billion during recent years—we have recognized that measures to reduce the imbalance in the flows of capital must be a key element in our overall balance-of-payments program.

This Committee has played an active role in reducing tax incentives to direct investment abroad, which have been one important element in the overall problem. The investment credit in the Revenue Act of 1962, together with depreciation reform, brought the tax treatment of new investment in machinery and equipment in the United States more closely in line with that extended by other industrialized countries. In addition, that act sharply curtailed the use of so-called tax haven countries as a device for reducing tax liabilities. With a reduction in the corporate tax rate to 48 percent, as proposed in the bill you are now completing, and with your decision to restore the full effectiveness of the 1962 investment credit by the repeal of section 48(g), differences in tax treatment should be a far less significant element in decisions to undertake direct investments in other industrialized countries. More important for the longer-run, the strong impetus to economic growth in the United States that will be provided by the new tax bill, and the enlarged opportunities for sales and profits that this growth will bring, will greatly increase the relative attractiveness of investment in the United States, and thus reduce the net outflow of direct investment.

However, the problem of capital outflow has, during the past months, shifted to the area of portfolio transactions, as foreign borrowers have taken increasing advantage of the lower long-term interest rates and ready availability of capital in our domestic capital markets. It is these surging demands by foreigners on our market, which if allowed to continue unchecked could seriously undermine the stability of the dollar, that have forced us to act.

Evidence of this accelerating outflow of portfolio capital first appeared during the latter part of 1962, when a spate of new foreign issues resulted in total purchases by Americans for the entire year of $1.1 billion, more than double the 1961 level. The Administration made no recommendations for action at that time, although the situation was carefully reviewed, since a large portion of the outflow could be traced directly to the Canadian difficulties in the spring of 1962, difficulties which gave rise later in the year to an exceptionally large volume of borrowings by that country to rebuild its foreign exchange reserves. Our official efforts were limited to informal suggestions for spacing out the timing of the larger Canadian borrowings. The full dimensions of the problem only became apparent during the first half of this year when the volume of new issues from other areas also rose sharply, bringing the total purchases of foreign bonds and stocks for the 12 months ended in June to $1.6 billion.

These enormous demands on our capital market have come from a wide variety of sources. One of the most striking characteristics has been the sudden rise in sales of new issues by foreign corporations, particularly those in Europe and Japan, which in the past have been much less active than foreign governments in using our market facilities. The Securities and Exchange Commission recently reported that over $400 million of new foreign corporate issues were offered in New York during the period from April 1 to June 30. That figure, covering a period of only three months, amounted to three quarters of the comparable total for the entire year 1962, and to nearly three times the total for the year 1960. Nor is the flow abating, over $200 million of new foreign corporate issues have been informally reported to us as in registration, committed, or in the final negotiating stages, at the date of the President's message, all of them from industrialized countries and many from Europe.

At the same time foreign governments, including cities and provinces, have also been borrowing substantially more than in earlier years. In many instances, these borrowings, at least in the case of the developed countries of Europe, do not arise from any need for foreign exchange, nor are they related, in any direct or ascertainable way, to import requirements from the United States. Instead, the loans have frequently been designed to finance construction projects with relatively small import content, or in some instances to cover the internal budgetary deficits of a central government; there have been notable occasions in which the proceeds of large dollar bond issues have been devoted to the purchase of already existing domestic facilities. Clearly, the major motivation for placing many of these issues in New York has been simply the ready availability of funds at a relatively low rate of interest, rather than a pressing need for capital from outside the borrower's own country.

There are no signs that this flood of new issues will, of its own accord, fall back to the more sustainable levels of earlier years. To the contrary, the information now becoming available points toward the definite possibility that, unless effective action is taken, the tide of foreign sales may rise still further.

Foreign businessmen are becoming much more aware of the efficient facilities and relatively low rates available here, and much more accustomed to their use. At the same time, there are indications that the profit margins of many European business firms have come under increased pressure during recent years, so that their ability to finance their growth almost wholly from retained earnings, the normal practice for many years, is now more limited. This is leading to increased demands for borrowed funds at a time when European capital markets are, by and large, not yet adequately organized to efficiently supply business needs from the growing savings of their own peoples. Somewhat similar forces seem to be at work in the case of many local government authorities abroad, hard-pressed to finance a backlog of local improvements.

These rising demands on our market have a counterpart in the increasing familiarity with, and interest in, foreign securities by U.S. underwriters. At the same time, the appetite of American investors for new foreign issues has been whetted by the huge flow of savings in this country, by the relative shortage of profitable domestic investment outlets, and by the opportunity to earn a higher return on foreign issues. The unfortunate experiences of the twenties and thirties,

which long restrained the demand for foreign securities, have now been largely forgotten. Moreover, the fear of difficulties in obtaining prompt payment of income and principal has abated with the ready convertibility of currencies and the growing volume of foreign reserves.

Similar forces could, of course, easily stimulate larger American purchases of outstanding foreign issues, and this possibility would be greatly enlarged if the burgeoning supply of new issues reaching our market is successfully curtailed.

Better free world markets for capital

It is entirely appropriate that the United States—the world's strongest and wealthiest nation—should continue to support the development of other nations by supplying them with urgently needed capital through private market facilities. This is a natural part of our role at the center of the world's financial system. Our capacity to provide this capital in reasonable amounts is assured by the ability of our economy both to generate enormous savings and to maintain the largest surplus on current commercial transactions of any nation. Moreover, the mutual advantages of flows of capital in reasonable amounts—advantages both to the United States, in terms of a future flow of earnings, and to other nations, in terms of supporting their own growth—are readily apparent.

At the same time, however, it serves the interest of no free nation to have this flow run at a pace that sharply aggravates existing imbalances in international payments. This would soon bring intolerable strains on the whole international monetary system, imperil the bright prospects for growing trade among nations, and undermine the growth and cohesion of free world economies.

For the past 18 months, American officials have pointed out that our balance of payments imposes some limits on the amount of capital that this country could afford to invest abroad. We have cautioned that so long as the United States stood alone in providing both a free and efficient capital market—and so long as the capital markets of most other industrialized countries continued to be inadequate to the task of meeting even their own internal needs at reasonable rates—the danger might emerge that demands on our market would exceed the limit of what we could safely supply.

These warnings emphasized that other industrialized countries, to support their own rapid growth, should develop their own capital market facilities for mobilizing and distributing their own domestic savings. It is clear that more effective markets in the other industrialized countries, combined with the relaxation and elimination of controls on foreign lending that linger on from an earlier day, are basic requirements for a properly functioning international financial system, a system in which flows of capital from country to country, responding to market forces, will promptly reflect shifting needs and capacities.

I believe this need for better capital markets in the leading industrialized countries is generally recognized today. Signs of progress are beginning to appear in some countries. But the progress has been too slow to meet the need. The potential dangers we foresaw have unfortunately materialized. As a result, we cannot escape the hard and unpleasant necessity for prompt action on our part to stem the outflow of portfolio capital. When other industrial nations have developed adequate long-term capital markets of their own, as they must and will, a wholly free international market for long-term capital will, for the first time, become an actuality and will lend much needed flexibility and strength to the entire international payments mechanism. In the interim, and until our own balance-of-payments position becomes significantly stronger, we must seek temporary answers.

The possibility and limitations of a general tightening of credit

One solution to the excessive export of long-term capital would be to tighten credit and raise interest rates all along the line. In this way, costs of financing would be raised, foreign borrowings would be diverted to other markets, and domestic securities would become more attractive to investors, both American and foreign. But this approach implicitly associates a balance-of-payments deficit with excess demand and rising prices at home. Instead, we are faced today with unemployment and inadequate investment within our domestic economy. A sharp rise in interest rates throughout our money and capital markets, if possible at all in the face of the huge current supply of savings, would require the most drastic restraints on our money supply and credit expansion and would thus sharply reduce domestic as well as foreign borrowing.

The cost would be measured not only in growing unemployment, loss of poten-

tial production, and personal hardship. In addition, it would also jeopardize the prospects for restoring lasting balance in our international accounts. A depressed economy will not stimulate investment at home, encourage rapid strides in productivity, or provide incentives to use more of our savings in this country. These are the factors, combined with price stability, that must be at the heart of our longer-range program to restore international equilibrium and lasting confidence in our currency.

A rise in long-term interest rates reflecting a normal market response to a vigorously expanding economy that is creating pressures on available resources would be quite another thing. Such a development could not only benefit our balance of payments but would also help assure stability in our domestic economy. But to try to artificially reverse this natural process, and force long-term interest rates sharply higher at a time when our growth potential is not being realized, would be to run risks that neither we nor the world can afford.

With short-term rates the situation is quite different. It has been possible and desirable to exert upward pressure on these rates over the past 2 years, thereby curtailing the outward flow of short-term capital, while keeping credit amply available to domestic borrowers. In fact, from the low point of the recession in early 1961 until mid-July, rates for Treasury bills increased by ¾ of 1 percent while bank loan rates and the cost of long-term corporate borrowing held steady. At the same time the interest cost of State and local financing declined and long-term mortgage rates—perhaps the most important of all rates for the domestic economy—dropped by ½ of 1 percent. The recent rise in the Federal Reserve discount rate, combined with higher permissible rates for short-term time deposits, has carried this policy a step further, and should be of considerable assistance during the months ahead.

The interest equalization tax, applying to purchases of portfolio securities with maturities of 3 years or more, will be a companion measure in the long-term area. It will achieve—by means of a tax that generally increases the cost of money to foreigners by about 1 percent—the dampening impact on foreign borrowing that we cannot accomplish under present circumstances by restricting credit to the degree that would be necessary to achieve a substantial rise in rates throughout the whole structure of our long-term domestic credit.

The nature of the interest equilization tax

The interest equalization tax will be a temporary excise tax imposed on the acquisition of a foreign security from a nonresident foreigner by a U.S. person, regardless of the place where the transaction actually is completed. The American lender or purchaser can be expected to demand about the same net return, after allowing for the tax, as he would for a comparable issue not subject to tax. Consequently, a foreign issuer of new securities will need to provide more attractive terms to compensate for the impact of the tax. In the case of bonds, the tax has been graduated by maturity in a manner that will introduce a differential of approximately 1 percent in the effective interest rate before and after tax; the tax on equities would be the same as for bonds of the longest maturity.

The result will be that costs to foreigners of capital in the U.S. market will be much more closely aligned with costs prevailing in most of the leading countries abroad. This will substantially eliminate the existing incentive to raise money in the American market simply to achieve a saving in interest costs.

In only two countries, Switzerland and the Netherlands, are long-term rates below or closely comparable to those prevailing in the United States. It is not accidental that we find in these two countries the best developed capital market facilities on the continent of Europe, for inefficient, cumbersome markets inevitably mean high interest rates. Nor is it accidental that they both very strictly limit, by direct controls, the amount of foreign borrowing in their markets. The United Kingdom, with potentially the broadest and largest of all the foreign markets, has limited foreign access even more narrowly, until very recently confining its lending almost exclusively to Commonwealth countries in the sterling area. And in the United Kingdom, as with virtually all other industrialized countries, prevailing rates paid by domestic borrowers are 1 percent or more above those in the United States.

The higher borrowing costs for foreigners resulting from the tax will not be prohibitive and long-term funds will remain available to those prepared to meet the normal market test of willingness to pay the prevailing rate. Those who have urgent needs for longer-term funds not available on reasonable terms elsewhere will continue to make use of our unrivaled facilities; those who today

merely find their own or other markets marginally too costly for their taste will be diverted from our markets.

The consequences of the tax for foreign borrowers will thus be closely analogous to a rise in long-term interest rates in the United States. While the price of long-term money to foreigners will rise, no restrictions will be placed on the free use of dollars for any purpose that a holder, foreign or domestic, might desire. Decisions of private parties, responding to forces working through market prices, will not be supplanted by official directives.

This is vastly different from an attempt to direct individual transactions and to impose a system of exchange controls, or even a selective screening of capital issues, upon market processes. That kind of approach, as the President has said, would be both inappropriate to our circumstances and contrary to our basic precept of free markets.

The problem we face is not one that we can meet simply by exercising the moral force of Government leadership and persuasion. Government can, to be sure, point out the nature of the problem, and suggest the main directions in which the public interest lies. We have done that repeatedly over the past year, suggesting that American underwriters seek out potential foreign buyers and that more emphasis be placed on public offerings rather than private placements so that foreign participation becomes possible. But it is now clear that firm legal guidelines and the disciplines of market forces are required to reinforce these efforts. The interest equalization tax meets this need.

The coverage of the tax

To achieve its purposes both effectively and equitably, and without unnecessary distortion of normal market relationships, the proposed tax must be applied to acquisitions of both new and outstanding securities, and to both debt and equities. Clearly, the major problem at the moment, in terms of sheer dollar volume, relates to new debt issues. These accounted for more than four-fifths of the outflow from all portfolio transactions in foreign securities over the first half of this year, and for the bulk of the increase over the past twelve months. Gross purchases of outstanding foreign bonds are also large—with reported total foreign bond sales, exclusive of new issues and direct investments, running from $600 million to $800 million annually during recent years—but frequently these purchases are offset by sales, reflecting the simultaneous transactions that characterize arbitrage. However, net purchases were slightly over $100 million in 1960. After dropping to smaller figures in 1961 and 1962, they rose to an annual rate of $200 million during the first six months of 1963.

Perhaps even more important, the interest of American investors in outstanding foreign debt issues could be expected to rise very substantially if such issues remain freely available without tax, while the volume of new issues reaching our market contracted. At best, the effectiveness of the tax would be sharply reduced, and established market relationships in the sale of new issues would be disrupted to little or no avail.

Trading in outstanding foreign equities, in contrast to bonds, is much larger than the flow of new stock issues. New issues of foreign shares purchased by Americans amounted to $74 million in 1962, and $32 million over the first six months of this year. Meanwhile, gross purchases of outstanding foreign stock from foreigners have ranged from around $600 million to over $900 million during recent years. In some years, purchases have been almost entirely matched by sales to foreigners, and some proportion of the transactions undoubtedly has reflected routine and offsetting arbitrage activity. But, during six of the past ten years there has been a sizeable drain on our balance of payments from this trading, ranging as high as $326 million in 1961.

American investment advisors and investing institutions, including pension funds, with increasing frequency seem to believe that diversification could be improved by investing a portion of their assets in foreign equities. When one considers the billions of dollars currently invested in stocks by pension funds alone, it is easy to realize that an attempt to place only five percent of these assets in foreign securities, as some have recently begun to do, could lead to an outflow of many hundreds of millions of dollars per year, far outpacing our efforts to induce more purchases of American securities by foreigners. Regardless of the merits of such diversification in the long run, there is no question but that a cascading of such purchases in present circumstances would gravely strain our over-all balance-of-payments position.

The issuance of equities is an alternative to debt financing in raising capital, and the choice is directly influenced by relative cost. Similarly, for many investors, bonds and stocks represent alternative uses of funds. Both debt and equity capital are relatively cheap in the United States today, and in these circumstances it would clearly be inconsistent to tax foreign access to one market and not to the other.

Under the proposal before you, the only transactions taxed would be acquisitions of foreign securities by a United States person from a nonresident foreigner. Trading in foreign securities among Americans, as well as sales of foreign securities by Americans to foreigners, will be entirely free of tax. An active tax-free market will be maintained within the United States for widely held foreign issues. Imposition of the tax should entail no loss in the value of foreign securities held by Americans, and is in no sense a capital levy.

Exclusions and exemptions from the tax can be justified only when clearly required to support vital national objectives, to meet the needs of the international financial system as a whole, or to permit effective, nondiscriminatory administration. Extension of exemptions beyond these limits—which are in every case fully consistent with its purposes—would inevitably open the way to both inequities and avoidance, and eventually undermine the effectiveness of the tax.

Short-term securities.—One class of securities that would be excluded from tax entirely are those with a maturity of less than three years. These money market instruments change hands in enormous volume. The transactions take a wide variety of forms, and the extension of credit can be, and sometimes is, submerged as part of related transactions. Many different purposes are served, but most of them relate closely to trade financing and to normal, reversible, shifts of funds between markets in response to temporary needs. Close integration of the money markets in the leading countries is essential to the orderly and expeditious clearing of international payments that underlies the flow of trade, and the operation of the international monetary system.

Large shifts of short-term funds in response to interest rate differentials or speculative influences can be a source of serious strain, and net outflows of short-term capital have added to our balance-of-payments problem over recent years. However, these transactions cannot readily be separated from those that provide an essential lubricant for world commerce; and partial insulation of the domestic market by an excise tax would risk distorting and impeding normal trade financing. Formidable administrative obstacles would also be encountered. Consequently, our main tool for influencing the market in this area must continue to be the flexible use of the traditional instruments of monetary policy, such as the increase in the discount rate effected last month by the Federal Reserve.

Commercial bank loans.—Commerical banks making loans in the ordinary course of their commercial banking business would not be subject to tax. The great bulk of these loans fall within a three-year maturity range, and would therefore be excluded for the reasons already mentioned; the volume of foreign loans maturing in more than five years appears to be minimal and usually is related to specific U.S. exports. The volume of bank lending is, of course, directly subjected to the influence of monetary and credit policy. Clear evidence that longer-term bank lending was being used in any significantly increasing degree as a means for assisting foreign borrowers in evading the tax would, of course, be a source of serious concern. However, we would not expect any such development.

Export credit.—Export credit extended by American producers directly to their foreign customers, as well as Export-Import Bank financing, will also be excluded from the tax. Considering the exclusion of bank and short-term financing, it is clear that this tax will not impair the present ability of American firms to offer credit facilities second to none in the world, whether for short- or medium-term, to their foreign customers.

Direct investments.—The tax will not be applied to direct investments in overseas subsidiaries and affiliates. Direct investment is defined to include the acquisition of debt or equity interests in a foreign corporation by a U.S. person owning at least 10-percent control after the transaction is completed; this is based on a statutory test used in the Revenue Act of 1962.

Decisions to undertake direct investment imply active participation in the management of the foreign corporation. In these decisions, questions of market position and long-range profitability completely outweigh any concern over interest-rate differentials. The inadequacy of capital markets abroad has also been much less of a factor in causing direct investment than it has in stimulating

portfolio investment abroad by Americans. Application of the proposed interest equalization tax to this area consequently is unnecessary and undesirable.

Less-developed countries.—The tax would not be applied to acquisition of securities issued by less-developed countries, as defined by Executive order of the President, nor to acquisition of securities issued by less-developed country corporations, whether or not these securities are guaranteed by a developed country. At the present time, it is contemplated that this exclusion would apply to the securities of all Latin American countries, African countries with the exception of South Africa, Asian countries except for Japan and the Crown Colony of Hong Kong, and to a few other nations outside the Sino-Soviet bloc.

This exclusion is designed to avoid any impediment to the flow of private capital to those nations with chronic capital shortages, urgent development needs, and limited capability for foreign borrowing on normal commercial terms. The United States, through its aid programs and otherwise, has long recognized a responsibility for assisting these nations in their struggle to achieve improved standards of living, and application of the tax to issues of these countries would work against that objective. The outflow of portfolio capital to these areas has been limited, never exceeding $200 million during recent years, and usually running closer to $100 million.

Exemptions in the interest of international monetary stability.—An exemption by Executive order, for new issues only, would be provided if the President finds that the application of the tax would have such consequences for a foreign country as to imperil, or threaten to imperil, the stability of the international monetary system. The President would be authorized to place a limit on the amount of any such exemption over a specified period, or to allow an unlimited exemption. The exemption authority would not cover transactions in outstanding securities, which would remain subject to tax.

Exercise of this Executive authority would be justified only in response to a highly unusual set of circumstances. A continuing need on the part of the foreign country for sizable external borrowing to offset a current account deficit would not in itself meet the test. Nor would a distinct threat to international monetary stability necessarily be implied because the capital market, as well as the trade and other financial relationships, of the foreign country concerned happened to be especially closely integrated with those of the United States, and that country traditionally met the bulk of its needs for external capital in our market. A potential threat to the monetary system would arise only when the foreign country concerned, faced with higher borrowing costs in the United States, would be forced to adopt measures gravely damaging to the stability of its currency and imperiling the international monetary system as a whole. In my judgment, only Canada would today qualify for exemption on these grounds.

As to the effectiveness of the tax, Canadian authorities have indicated that domestic considerations in Canada favor an expansionary policy with interest rates as low as can be maintained, without eliminating the United States as a source of the limited amount of funds needed to balance overall Canadian accounts. Pursuit of such a policy by Canada itself serves to reduce the interest incentive for Canadian borrowing in our markets. Thus, we can expect that even with an unlimited exemption on new issues the volume of Canadian borrowing will be substantially less than the high rate of late 1962 and early 1963 and should roughly approximate the more normal levels of earlier years. In any event, the trend of Canadian borrowing will be closely followed by American and Canadian authorities, reflecting the strong interest of both governments in attaining this objective. For our part we are also establishing an interdepartmental committee to keep close track of developments.

Although we are prepared to appraise with officials of Japan and other countries the impact of the tax over time in the light of their particular circumstances, we cannot now see any reason for further exemptions.

Application of the tax

The detailed provisions of the tax, and the way in which it will be applied, are fully explained in the technical description already in the hands of your committee. I will simply summarize the main provisions here.

The rate schedule.—The tax on debt obligations will be assessed as a percentage of their actual value, according to a schedule graduated by maturity, with the rates ranging from 2.75 percent for a 3- to 3½-year maturity to 15 percent for an obligation maturing in 28½ years or more. In the case of stock, the tax would be 15 percent, the same as for bonds of the longest maturity.

Liability for tax.—The tax would be imposed only on U.S. persons who acquire foreign securities from nonresident foreigners. In cases of acquisitions from other Americans, a certificate of American ownership executed by the seller will serve as proof that the transaction is exempt from tax.

To facilitate and encourage the placement of new foreign issues abroad, American underwriters participating in the distribution of new foreign issues would receive a credit or refund of the tax on any sales directly to foreigners. Similarly, dealers maintaining markets in foreign bonds denominated in U.S. dollars will be given a refund from tax on any such securities purchased from foreigners and resold to foreigners within a reasonable time. This treatment will provide incentives to place a maximum portion of new flotations in foreign hands, and will assure potential foreign buyers that an active secondary market will be available for such new foreign dollar bonds as they may purchase.

Returns.—The tax will be paid on the basis of returns due by the last day of the month following each calendar quarter. These returns will require a listing of all taxable and certain exempt acquisitions during the calendar quarter.

Effective date and expiration.—Under the terms of the bill before you, this tax, with certain limited exceptions, would be applicable to acquisitions made after July 18, 1963, the date of the President's message proposing the tax, and through December 31, 1965. The choice of the July date is necessary to avoid markedly perverse and inequitable effects. The nature of the tax was disclosed in the President's Special Message on the Balance of Payments, and the essential features were fully described in material released by the Treasury at the same time. Market participants were informed of the proposed effective date and forms easing the task of compliance were made promptly available.

In a situation of this kind, any appreciable lapse of time between the initial announcement and the effective date would clearly create problems of the most serious character. A very large volume of contemplated transactions could be advanced to this interval, resulting in a sharply accelerated outflow of dollars. In the space of only a few weeks, or even days, strains on the foreign exchange market could reach the point of threatening to set off self-reinforcing speculative movements. The ensuing disturbance and unsettlement would inevitably linger on, with possibly prolonged effects on trade and economic activity.

An exemption for issues in registration on July 18, or for which there were unconditional or partly performed purchase commitments, will avoid any undue impact on transactions in process at the time of announcement.

The practicability of the procedures for the application of the proposed tax has been established. With the help of certificates of ownership provided by the Treasury, the large over-the-counter market has already been operating for more than a month just as if the tax were already in effect. An exemption for stock exchange transactions prior to August 16 provided ample time for resolution of technical problems arising in trading on an exchange, and those markets have now begun to operate under procedures that permit both purchasers and sellers to comply with a minimum of difficulty.

The impact on capital flows

No one could pretend to forecast with precision the impact of this tax on the volume of portfolio flows. The very essence of this kind of action, working through market prices instead of administrative controls, is that no fixed and immutable target can be set. The volume that will emerge is not predetermined but will depend upon the urgency of the needs of other countries, the speed with which capital markets in other countries develop, and upon other supply and demand factors in our own market.

New foreign issues will continue to reach our market from borrowers with inadequate markets at home, and limited access to markets of other countries. Countries needing to cover a current account deficit will continue to find it advantageous to borrow some amount in our market, despite the higher price. Borrowing by underdeveloped countries, while relatively small, will continue unimpeded.

But marginal borrowers, attracted simply by the existing savings in interest costs, will certainly be induced to seek funds in their home market. This tax will virtually eliminate rate incentives to come to the United States when there is a feasible option to borrow in the home market. It is clear that a significant proportion of the swelling volume of new issues over the past year, and those

which were on the horizon before the President's message, has been by borrowers in industrialized countries in a position to exercise precisely that choice.

On balance, a reasonable prognosis may be a reduction in the outflow of capital from this country into new foreign bond and stock issues back toward the range of $500 million to $700 million that prevailed from 1959–61. In effect, this would reverse the sharp acceleration in 1962 to $1.1 billion, and the further alarming increase over the first six months of this year to an annual rate of nearly $2 billion. This will enable us to make the progress we so clearly need in reducing our overall deficit. The smaller outflow should be fully sustainable in view of the progress being made in other sectors of our balance of payments, and at the same time will make it possible to meet the urgent needs of our foreign friends.

Additional balance-of-payments savings can, of course, be anticipated with respect to transactions in outstanding securities. But of even greater importance, imposition of the tax on such securities will remove the possibility that net increases in purchases of outstanding foreign securities could frustrate the effects of the tax on new issues and add appreciably to the burden on our balance of payments.

This tax will incidentally generate some revenue for the Treasury. Any estimate must allow for a wide range of uncertainty, not only because the total volume of foreign issues that will be purchased from abroad by Americans cannot be pinpointed, but because the composition by type and maturity may shift. However, it appears likely that these revenues will fall somewhere in the general area of $20 million to $30 million annually.

The need for early action

The interest equalization tax will not, of course, be a permanent part of our financial scene; but it is also not just a stopgap to protect the dollar. Rather, it is an essential element of a much broader program to restore lasting balance in our international payments and to assure the continued stability of the whole international payments system.

The role of this tax is critical. For it has become apparent that, until capital markets are better developed abroad and investment demand becomes greater at home, and until the planned reductions in Government expenditures entering our balance of payments take effect, a rising outflow of portfolio capital can endanger our whole position, and with this the entire financial structure of the free world. These problems can and will yield to our concerted efforts, and to those of the other industrialized countries. As they do, this tax should be removed. But we cannot take comfort in a bright tomorrow before we meet the urgent problems of today.

We cannot afford to delay in the idle hope that other, easier solutions can be found, or that our immediate problems will simply fade away. We must demonstrate conclusively that we are willing to meet the challenge before us, and to control our own affairs. Only that way can we keep and strengthen confidence in the achievements already made, in cooperation with our friends abroad, toward curbing disruptive currency speculation, toward building strong defenses for the dollar, and toward developing an international financial structure that is fully adequate to the tasks ahead.

This tax will be effective and fair. There are no acceptable alternatives for promptly limiting the outflow of dollars into foreign securities that is presently endangering the other gains that our balance-of-payments program has begun to produce. The time for action is now.

TABLE I.—*U.S. balance of payments, 1960–March 1963*

[In millions of dollars]

	1960	1961	1962	1963 [1] Jan.–Mar.
Commercial trade balance	2,817	3,179	1,989	400
Commercial services balance	1,458	2,130	2,322	578
Balance on commercial goods and services [2]	4,275	5,309	4,311	978
Military expenditures	−3,048	−2,934	−3,028	−741
Military cash receipts [3]	336	393	673	181
Government grants and capital—dollar payments to foreign countries and international institutions	−1,107	−1,116	−1,070	−226
Government capital receipts excluding debt prepayments, borrowings, and fundings [4]	538	533	513	103
Remittances and pensions	−672	−705	−736	−217
Private capital:				
Long-term	−2,114	−2,143	−2,495	−985
Short-term	−1,438	−1,475	−716	34
Unrecorded transactions	−683	−905	−1,025	−44
Balance on regular transactions	−3,913	−3,043	−3,573	−917
Special Government transactions [5]	32	673	1,387	461
Overall deficit	−3,881	−2,370	−2,186	−456

[1] Seasonally adjusted.
[2] Nonmilitary merchandise and service transactions less those financed by Government grants and capital.
[3] Excluding advances on military exports.
[4] Includes small changes in miscellaneous Government nonliquid liabilities.
[5] Not seasonally adjusted. Includes nonscheduled receipts on Government loans, advances on military exports, and sales of nonmarketable medium-term securities, including $350 million of nonmarketable medium-term convertible securities in the first quarter of 1963.

Source.—*Survey of Current Business.*

TABLE II.—*Private capital flows in the U.S. balance of payments, 1959–March 1963*

[In millions of dollars]

	1959	1960	1961	1962	1963 [1] Jan.–Mar.
Long-term capital:					
Direct investment:					
U.S. direct investment abroad	−1,372	−1,694	−1,598	−1,557	−556
Foreign direct investment in the United States	238	141	73	132	17
Net	−1,134	−1,553	−1,525	−1,425	−539
Portfolio investment:					
U.S. purchases of new issues of foreign securities	−624	−573	−523	−1,076	−512
U.S. net purchases of outstanding foreign securities	−139	−177	−353	−55	−26
Other U.S. long-term, net	−258	−200	−258	−248	14
Redemptions of U.S.-held foreign securities	95	100	123	170	31
Foreign long-term portfolio investment in the United States	471	289	393	139	11
Net	−455	−561	−618	−1,070	−482
Net long-term capital	−1,589	−2,114	−2,143	−2,495	−1,021
Short-term capital:					
U.S. short-term, net	−77	−1,348	−1,541	−507	31
Foreign commercial credits to the United States	154	−90	177	−116	−13
Net short-term capital [2]	77	−1,438	−1,364	−623	18
Unrecorded transactions	412	−683	−905	−1,025	106

[1] Not seasonally adjusted.
[2] Including receipts on Export-Import Bank fundings of U.S. private short-term credits. These were: 1961, 111; 1962, 93; Jan.–Mar. 1963, 8.

Source.—*Survey of Current Business.*

TABLE III.—*New issues of foreign securities purchased by U.S. residents, 1961 and by quarters, 1962–63 (first half)*

[In millions of dollars]

	Total 1961	1962					1963		1963 [2] first half at annual rate
		Jan.–Mar.	Apr.–June	July–Sept.	Oct.–Dec.	Total	Jan.–Mar.	Apr.–June [1]	
Canada	237	10	112	41	294	457	368	239	1,214
Western Europe	57	35	138	15	7	195	60	145	410
Japan	61	11	17	48	25	101	47	45	184
Latin American Republics	18	(*)	19	(*)	[3] 83	[3] 102	12	--------	24
Other developed countries	43	n.a.	n.a.	n.a.	n.a.	60	--------	18	36
Other less-developed countries	95	n.a.	n.a.	n.a.	n.a.	77	25	18	86
International institutions and unallocated	12	80	1	3	--------	84	--------	--------	--------
Total new issues	523	170	312	133	461	1,076	512	465	1,954

*Less than $500,000.
n.a. Not available.
[1] Preliminary.
[2] Not seasonally adjusted.
[3] Includes $75 million issue by Inter-American Development Bank.

Source.—*Survey of Current Business* and Department of Commerce.

EXHIBIT 22.—Other Treasury testimony published in hearings before congressional committees, July 1, 1962–June 30, 1963

Secretary of the Treasury Dillon

Statement on the state of the economy and policies for full employment, published in hearings before the Joint Economic Committee, Congress of the United States, 87th Congress, 2d session, August 17, 1962, pages 663–670.

Under Secretary of the Treasury Fowler

Statement on the significance of the President's 1963 tax program for small business, published in hearings before the Subcommittee on Taxes of the Select Committee on Small Business of the Senate, 88th Congress, 1st session, April 30, 1963, pages 180–198.

Assistant Secretary Surrey

Statement on tax reduction to people retired on otherwise taxable income by increasing the retirement income credit, published in hearings before the Senate Finance Committee, 87th Congress, 2d session, on H.R. 6371, a bill to amend sec. 37 of the Internal Revenue Code with respect to the limitation on retirement income, September 28, 1962, pages 8–11.

International Financial and Monetary Developments

EXHIBIT 23.—Statement by Secretary of the Treasury Dillon, October 23, 1962, at the Ministerial Meeting of the Inter-American Economic and Social Council, Mexico City, Mexico

Since this is a meeting of the Finance Ministers of the Americas to review the economic progress of the past year, I had intended to speak only of economic matters. But this is a fateful day, the activities of the Soviet Union in Cuba followed by yesterday's developments in Washington pose issues of such gravity for our entire hemisphere that I feel it incumbent upon me to comment briefly about them. This is appropriate, because the future course of economic and social progress in all our countries will inevitably be deeply affected by the outcome of the current crisis.

As a result of the surveillance of the heavy military buildup in Cuba which we have been carrying out in accordance with the communique of the Foreign Ministers of the Americas following their meeting in Washington on October 6, we learned early last week that offensive ballistic missiles with nuclear capabilities were being deployed in Cuba. We immediately intensified our surveillance. By the week's end we had irrefutable evidence, in the form of aerial photographs which I myself have seen, that two types of missiles were being deployed in Cuba: missiles with a range of just over 1,000 miles, and missiles with a range of just over 2,000 miles. This means that most of the United States, all of Mexico and Central America, and all of South America as far south as Lima, Peru, would be within range of surprise nuclear attack by these missiles. We also learned that a shipment of jet bombers has arrived and that they are in process of assembly.

I am sure that you will readily understand that this situation is intolerable and that it cannot and will not be accepted by the United States. It represents a direct challenge to our entire hemisphere, one that must be met and turned back. It is a case of utter perfidy on the part of the Soviet Union. For the Soviet Government told the world just last month that it would not station offensive missiles outside of Soviet borders. At the very moment this statement was made, the missiles were en route to Cuba in Soviet vessels. And just last Thursday, the Foreign Minister of the Soviet Union, Mr. Gromyko, deliberately lied to our President when he assured him that the Soviet Union would never install offensive weapons in Cuba.

As President Kennedy announced last night, we have now been forced to initiate action. A quarantine of Cuba which will prevent the delivery of additional offensive weapons to Cuba by the Soviet Union is being initiated.

This morning on the request of the United States and without objection the Council of the OAS constituted itself as the organ of consultation provided for by the Rio Treaty. It is now considering the request by the United States to invoke Article 8 of the Rio Treaty in response to the threat to hemispheric security posed by offensive Soviet weapons now in Cuba. We have also referred the matter to an emergency meeting of the Security Council of the United Nations. It is absolutely essential that the offensive preparations in Cuba come to an immediate halt. If not, further action will be fully justified. I can assure you that the United States is resolutely determined to continue on the course that it has set until the offensive weapons now in Cuba are removed or effectively neutralized, hopefully by the immediate acceptance by Cuba of the resolution we have offered to the Security Council of the U.N. requiring the prompt dismantling of all offensive weapons in Cuba under United Nations supervision and inspection.

I now turn to the statement that I had prepared for this conference. But before I do so I would like to read to you a telegram from President Kennedy addressed to the distinguished Chairman of this Conference which I have just delivered.[1]

Fourteen months ago, meeting at Punta del Este, the governments here represented agreed upon the Charter of an Alliance for Progress, an Alliance inspired by the vision of dramatically bettering the lives of 200 million Latin Americans in 10 short years.

It is particularly fitting that the first annual meeting of the Inter-American Economic and Social Council should take place in Mexico City, the capital of a country whose fundamental goal for the past 50 years has been the same as that of the Alliance for Progress: social justice and economic progress within the framework of individual freedom and political liberty.

The principles of the Alliance for Progress are Latin American in inspiration. Operation Pan America—the Act of Bogota—Punta del Este—those great landmarks in the history of the Western Hemisphere were born of a ferment generated within Latin America itself. This is a fact of tremendous importance.

The Charter of Punta del Este called for an extraordinary effort by the peoples and governments of Latin America. It called for full and steady support by the people and Government of the United States. It called for a strong helping hand on the part of other industrialized countries of the free world.

When this Council framed the Charter of Punta del Este it also agreed to review the Alliance for Progress each year in a spirit of candor and objectivity. This week we conduct the first review.

We are all aware of the many criticisms that have been voiced about the Alliance. These criticisms should spur us onward. For the burden of complaint is

[1] Printed at the conclusion of this statement.

not that the Alliance is the wrong solution for the problems of poverty and despair that beset so many of our fellow citizens in Latin America, nor that the Alliance is moving in the wrong direction, nor that we are not in agreement on our grand design.

On the contrary. The criticisms are that we are moving too slowly; that we must do much more and do it more quickly to advance the vital principles which form the heart and core of the Alliance for Progress.

It is to those constructive criticisms that we address ourselves this week. In so doing we must not neglect our accomplishments.

Our deliberations follow upon three weeks of intensive work by representatives at the expert level. These three weeks have been characterized by frank self-criticism on the part of the Latin American representatives. The representatives of the United States have also recognized the need for improving our own participation in the Alliance.

Thus, here in Mexico City, we have successfully instituted inter-American economic relations a productive process of confrontation, adapting to the development problems of this continent creative techniques which contributed so much to the success of the Marshall Plan. Several of the resolutions submitted for our approval by the officials are designed to intensify and broaden this process of confrontation.

The work of the experts has been truly productive. We owe a debt of gratitude to the Secretariat of the OAS for its detailed preparation and documentation, and to the Panel of Nine for its penetrating analysis and evaluation of the Alliance as well as its valuable recommendations for improvement.

What have we accomplished in the first year of the Alliance? In the field of self-help and reform, a solid beginning has been made. An extensive land redistribution program in Venezuela is being vigorously implemented. Colombia has now adopted an agrarian reform law to improve substantially the use of farm land. In our host country, of course, land reform has been carried out for several decades with beneficial results. Tax reform is being implemented or considered in nearly all of Latin America. Large scale programs to provide low-cost housing for low-income groups have been undertaken in a number of countries, including Panama, Chile, Peru, Colombia, and Venezuela. Several countries have launched programs to modernize their educational systems and in a number of countries expenditures for education have risen sharply.

The work of planning for economic development is beginning to bear fruit. The Panel of Experts has received economic development programs for evaluation from Bolivia, Chile, Colombia, and Mexico, with plans from Panama and Venezuela expected soon. The development program of Colombia is now receiving attention from the World Bank, the IDB, and industrialized countries interested in providing financial support.

Latin American economic integration is also making headway. Progress has been especially noteworthy in Central America, where the objective of deep integration is being pursued with vigor.

Especially significant was the signature last month of the International Coffee Agreement—a truly great achievement in the effort to provide support for basic products in world trade. The United States, as the largest consuming country, has contributed its best efforts to this agreement, which is of such great importance to the economies of fourteen Latin American countries. Its great promise lies in the fact that a mechanism now exists through which declines in coffee prices can be arrested and more remunerative levels of earnings achieved. Success will be achieved only if the agreement is operated in an effective manner. The United States stands ready to give serious consideration to any sound project for reducing excess coffee production in the exporting countries, so as to relieve the pressure for quotas in excess of world demand and to make the agreement truly effective.

At Punta del Este the need was foreseen for sources of seasonal financing accompanied by adjustments in the coffee marketing and exporting mechanisms of the countries of Central America. Since that time, the United States has indicated readiness to assist in the creation of a fund for seasonal financing of coffee. The Central American countries for their part have made good progress toward agreeing on the prerequisite steps to put this scheme into operation. We hope that this can be accomplished at an early date and believe that it would be an important step to relieve unnecessary pressure on prices during the critical export season.

We have also moved forward toward ways and means to stabilize and improve the world market for cocoa. The idea of a world cocoa agreement is now under

active consideration in the FAO. The United States fully intends to play its part in these discussions.

The United States fully appreciates the desire of the countries of Latin America to establish a mechanism to protect and advance their trade interests. The United States is convinced that the long-term interests of Latin America will be best served by expanding opportunities for trade on a nondiscriminatory basis. We have in the past and will continue in the future to lend our full and energetic support to this objective. But we do not believe that it is appropriate or effective for this purpose to create a regional bloc of American States for the purpose of presenting a united front vis-a-vis other regional groups.

We are keenly alive to the rapid evolution of trade policies in the European community, and the expanding trade needs of the developing countries in Latin America and elsewhere. Our new Trade Expansion Act authorizes the President of the United States to conclude agreements with the European Economic Community providing for sweeping reductions and eliminations of tariffs and other trade barriers on a nondiscriminatory basis. We intend to use this new authority to substantially reduce trade barriers affecting Latin American exports to the industrialized countries of the free world, including the maximum possible freedom of trade for tropical products.

Finally, the flow of external public assistance to Latin America during the past year has sharply increased. At Punta del Este, the United States undertook to provide public assistance under the Alliance totaling more than $1 billion in the year ending March 1962. That pledge has been fulfilled. An important part of our assistance has been in very long-term loans with no interest or charge except a small service fee. Assistance has been provided by the Agency for International Development and the Export-Import Bank, by agricultural commodities under Public Law 480, and from resources given by the United States to the Social Progress Trust Fund administered by the Inter-American Development Bank. The United States is prepared to continue its assistance during the year ahead on the same general order of magnitude, within the context of continuing progress in implementing the self-help measures provided for in the Charter of Punta del Este and the Act of Bogota.

The Inter-American Development Bank has achieved a high rate of lending for development, both from its own resources and from those provided by the United States under the Social Progress Trust Fund. Total commitments by the Bank during the past year have amounted to nearly $400 million. An important part of these funds has been directed to low-cost housing, water supply, and sanitation, and to private enterprise. The Bank has demonstrated outstanding competence in the short period of its existence and I congratulate its management. The United States is prepared to participate in replenishing the Bank's regular callable resources in an amount of $1 billion as recommended by the Bank. In addition, the United States intends to continue to make available a substantial and appropriate part of its economic assistance through the Bank to carry on the important work of the Social Progress Trust Fund.

Free industrialized countries other than the United States have begun to interest themselves in helping to achieve the objectives of the Alliance. Extensive credits, although often on short term, have been provided by European nations to Brazil and Argentina. The industrial countries in the Development Assistance Committee of the OECD have initiated useful discussions on aid to Columbia. The Inter-American Bank has obtained resources through the sale of bonds in Italy. Modest as these efforts have been, they are a promising beginning. And I should like to emphasize the importance attached by other industrialized free countries to the self-help measures provided for in the Charter, for they know, as we do, that these measures are necessary if external economic assistance is to be effective in achieving growth and social progress.

These, then, are the major accomplishments of the first year.

Now, where have we fallen short?

The reports of the OAS Secretariat, of the Panel of Nine, and of the meeting of Experts, analyze the defects in detail. I shall limit my remarks to two major aspects: First, the pace of self-help and its relationship to external assistance. Second, the role of private enterprise, foreign and domestic, in the Alliance.

Self-help and reform are provided for explicitly in the Charter of Punta del Este because they are absolutely indispensable to economic growth and social progress. Without these vital domestic measures external assistance cannot achieve the purpose for which it is intended no matter how generous the scale.

That is the true relationship between self-help and reform on the one hand and external economic assistance on the other. Together they comprise a true partnership between the United States and Latin America. This partnership means steady progress in carrying out essential self-help and reform measures and the extension of assistance for constructive, well thought out projects and not for those which would result in ineffective or wasteful expenditures. We hope and believe that the pace with which self-help and reform measures are being adopted in Latin America will be stepped up substantially. This is particularly true of measures to combat inflation, which have assumed such overriding importance in recent months in several Latin American countries. We recognize that many of these measures deal with complex and difficult economic and social problems and that in many countries, necessary as these reform measures may be to the well-being of the people, they are strongly and even bitterly opposed by minority groups. But, as President Kennedy stated last March, "Those who make peaceful revolution impossible will make violent revolution inevitable."

There is one area in which during the past year we have not only made no progress but where we have suffered a serious setback. Private investment, both domestic and foreign has suffered damaging blows and has lost confidence. Not only has foreign private investment in Latin America declined, but private domestic capital has been seeking safe havens outside Latin America. This capital flight has in some cases reached serious proportions.

The plain fact of the matter is that private enterprise has not always been made to feel that it is truly a part of the Alliance. And yet the private sector must become stronger and more vigorous every year if the Alliance is to flourish. Public funds simply do not exist anywhere on a scale adequate to finance the enormous needs of the Alliance. The vast resources—both financial and managerial—of the private sector must be enlisted if the Alliance is to have lasting meaning.

There are three things which must be done if the private sector is to assume its rightful role in the Alliance.

First, the governments of Latin America should take every reasonable step to encourage the growth of the private sector and to reassure private enterprise, both foreign and domestic.

Second, whatever measures governments may take for public purpose, such measures should be fair and equitable to the private interests involved.

And, third, private enterprise must, through one means or another, be brought actively into the Alliance.

For we must recognize that the task ahead of us is so vast that all the resources available to us—both public and private—must be enlisted if the enterprise on which we are embarked is to succeed. We of the United States pledge our continuing and generous support. We are confident that our partners in the Alliance will continue and intensify their own efforts in behalf of their own people. For ours is a genuine alliance, truly dedicated to progress in which all the peoples of the Americas will share increasingly in the years ahead.

I deeply regret that recent developments in Cuba will not permit me to remain in Mexico City throughout this conference. For the most basic hopes and ideals of my country as well as my own deep convictions are intimately involved in the work we are doing here.

I have now been privileged to attend six Inter-American Ministerial meetings dealing with economic matters. This will be the first time I have had to leave before the close of a conference—an unfortunate occurrence which I hope will not be repeated. For on the success of the work which we are carrying forward this week, largely rests the cause of freedom and progress in this hemisphere.

In conclusion, I want to say that I am confident that every government and people of the Americas represented here today looks forward, as do the Government and people of the United States, to the day—and may it not be long in coming—when the people of Cuba will be free once again to lead their own lives within a framework of free institutions of their own choosing. We continue to extend the hand of friendship to the Cuban people. And we pray that a delegation of Cubans representing a free people will soon sit among us. On that day the people of Cuba will begin to share in the social, economic, and spiritual promise of the great Alliance which we have undertaken so that human dignity can accompany human freedom in every corner of this hemisphere.

The Honorable ORTIZ-MENA October 23, 1962.
Chairman, Conference of IA-ECOSOC

I deeply regret that I have had to recall Secretary of the Treasury Douglas Dillon to Washington before the close of your meeting. However, as a member of the National Security Council of the United States, as well as a principal executive officer of my Government, his presence in Washington is essential in the conduct of the urgent and hazardous affairs which will occupy the days and weeks ahead. I am designating Teodoro Moscoso, the Coordinator of Alliance for Progress activities in the U.S. Government, and a man who carries the highest responsibilities of the Alliance with my complete confidence, as Chairman of the United States delegation.

There is little doubt that we are in the midst of a grave moment in the history of the hemisphere. The security and freedom of all our nations is at stake. Yet your meeting is a vital reminder that the central task of this generation of Americans is not merely the avoidance of conflict. It is the construction of a new community of American nations in which all our citizens can live not only free from fear but full of hope.

The protection of our liberties—resistance to aggression—firmness in the face of danger—these are essential to the preservation of our free society. But it is only through economic progress and social justice that we can move forward to a hemisphere where freedom accompanies ever-expanding horizons of opportunity and hope. This is the work in which you are engaged. Just as the unyielding determination of today is essential if we are to realize the future promise of the Alliance for Progress—the future success of the Alliance for Progress will be the final vindication of the resolute course we are undertaking today.

With every best wish,

JOHN F. KENNEDY.

EXHIBIT 24.—Remarks by Secretary of the Treasury Dillon, March 7, 1963, at the tenth annual monetary conference of the American Bankers Association on our unfinished task of improving the U.S. balance of payments

A year ago, in Rome, I reviewed with you our balance-of-payments problem and the measures we were taking to deal with it. Today, I would like to appraise the record of the past twelve months in the perspective of the hard tasks still before us, and discuss the contributions which can be made to equilibrium in our international accounts by the President's tax proposals.

While last year's progress toward our goal of overall balance was disappointing, we continued to move ahead, and the groundwork for further improvement was laid. I am convinced that tax reduction, prudently financed and accompanied by persistent and firm expenditure control, can play a major role in that improvement. It will also free the hands of American monetary authorities to deal more vigorously with any contingencies that may arise, thus reinforcing our already strong defenses against pressures on the dollar during the difficult period until balance is fully restored.

Last year's overall balance-of-payments deficit amounted to $2.2 billion, the smallest annual deficit since 1957, and only a little more than half the total two years ago. But, measured against the $2.4 billion deficit of 1961, progress was limited, and the gold outflow continued at close to $900 million.

However, it must be remembered that during 1962 we absorbed the full impact of the rebound of imports from the abnormally low, recession-induced levels of 1961. As business recovered at home, imports increased by $1.7 billion, or 12 percent. Exports also rose substantially during the first part of the year, but then tapered off, reflecting the slower growth of our export markets in Europe and Japan. The Canadian tariff surcharges, together with adjustments in the Canadian exchange rate, also had a measurable adverse effect on exports during the latter part of the year since Canada is our single, largest foreign market. As a result, our commercial trade surplus (which excludes aid-financed shipments) declined by about $1.2 billion from the exceptionally favorable 1961 figure. While this surplus, at $2 billion, was still larger than that of any other nation, its decline last year offset almost all of the improvement in our other accounts.

A major source of improvement during 1962 reflected our persistent efforts to curtail the outflow of dollars stemming from our commitments for defense and aid. Taken together, the net balance-of-payments drain from these two programs was reduced by more than $700 million. Much of this improvement stemmed from

implementation of the cooperative logistics agreements with West Germany, providing for increased purchases of American military goods and services, while simultaneously strengthening the defense capabilities of both countries.

The vigorous efforts of the Department of Defense to economize in its own foreign exchange outlays were unfortunately offset by rising local costs and the full year impact of the "Berlin buildup" on the size of our forces based in Europe. Moreover, the usual long interval between foreign aid commitments and actual spending obscured the progress that has been made in supplying a larger share of American assistance to the developing countries in the form of American goods and services.

However, on the basis of current policies and directives, there is a clear prospect of further savings in these two areas in the years ahead. For example, more than three-quarters of AID commitments during this fiscal year will be directly reflected in purchases in this country, and that percentage is being raised still higher. A new agreement with Italy provides for the purchase of American-produced military equipment in an amount in excess of the foreign exchange costs of maintaining our forces in that country during 1963. And the Defense Department is continuing to reduce its foreign exchange outlays.

Smaller outflows of short-term capital also contributed to last year's improvement. However, the outflow was larger than we had expected. Much of it was submerged among unrecorded transactions making it difficult to pinpoint the precise cause and the source of these outflows. Certainly, our effort to maintain a structure of short-term rates in the American market that would reduce the incentive to shift funds abroad in search of higher interest returns—an effort that was greatly facilitated by downward rate adjustments in some important European markets—appeared to be reasonably successful, and the upward trend of trade financing and foreign bank loans tapered off. However, the total of short-term and unrecorded outflows, placed at more than $1½ billion in preliminary reports, remained uncomfortably high and clearly indicated an area where much further progress is required.

Outflows of longer-term private capital, approximating $2½ billion, continued in undiminished volume, although the composition shifted somewhat as direct investment fell off moderately while the total of new foreign bond issues on the New York market rose. In discussing this problem at Rome last year—when the anomalous pattern of borrowers in Western European countries with strong payments positions seeking large amounts of long-term funds in the United States was already becoming clear—I suggested that much of the difficulty stemmed from the absence in Europe of an efficient, fully effective capital market mechanism, freely open to potential foreign borrowers and capable of absorbing new issues in the required volume. The fact that roughly 45 percent of the total official European, Australian, and New Zealand flotations in New York last year were taken up by foreign buyers—in some instances located in the same country as the borrower—provides further confirmation of this analysis.

It has been gratifying to us that during the past year a number of European countries have begun to reexamine their capital market mechanisms, recognizing their own internal need for more efficient means of mobilizing and distributing savings to support further rapid growth. Italy has made particular progress in developing and strengthening its capital markets and has also found it possible to open them to a few international institutions, as well as to initiate measures to free portfolio investment abroad by its own residents. I have also been glad to see signs of greater interest on the part of American commerical and investment bankers in participating in this process of strengthening European capital markets. That is an area where efforts to provide better service to your customers operating abroad by assisting them to raise local capital and credit can also have important benefits, both for the host country and the United States. Dramatic results cannot be expected within a limited period of time, but over the years ahead, the result will be a healthy freedom from dependence on the New York market, with a consequent lessening of one drain on our balance of payments.

Other factors of basic, long-run strength became more apparent during 1962. For instance, the flow of earnings from our $60 billion of private foreign investment rose by almost 10 percent to a new record of more than $3.5 billion, a figure that will continue mounting in the years ahead. Even more important, for it underlies our whole international trading position, has been the sustained stability in the prices of our industrial goods and materials. Unit wage costs have not risen since 1961, and the index of wholesale prices has now been virtually unchanged for five years. In contrast, pronounced upward cost pressures have developed in most

industrialized countries in Europe, squeezing profits and bringing price pressures of the sort that have been all too familiar in this country.

A few years ago, there was much talk of a deterioration of the international competitive position of the United States. Today, that talk is diminishing, and for good reason. Our share of world exports of manufactured goods, after declining substantially during the fifties, has been essentially stable since 1959.

At the same time, however, we must recognize—as our alert competitors did long ago—that our competitive position depends on more than price alone. Knowledge of markets and willingness to search them out, product design, sales and servicing facilities, and export credit facilities are all vitally important. Recognizing the key role of commercial exports, the Government is improving and strengthening the facilities of the Export-Import Bank, as well as the export programs of the Department of Commerce. But, in the last analysis, it is the American businessman who must make the sale, and I should add that alert banks can play an important role as catalysts.

Now let us see how our program of tax rate reduction and reform can help to reinforce and support these various developments that are contributing to longer-run balance-of-payments improvement. First of all it will provide new incentives for investment and intelligent risk-taking, increasing profits directly through lower tax rates, and indirectly through enlarged domestic markets and the establishment of a better atmosphere for growth. This is the best way—and ultimately the only way consistent with our free market system—to encourage the productive employment of American capital at home, and to attract more foreign investment to our shores.

It is clear that enlarged domestic spending for plant and equipment will help to employ the abundant supply of savings that today is aggressively seeking longer-run investment, and at times seeping out in excessive volume abroad. An attempt to dry up those savings through severe credit contraction would run a serious risk of impeding domestic expansion. The far more constructive route toward the same objective is to bring about the sort of conditions in which these savings can be fully and productively utilized at home and in which increases in interest rates are a reflection of the improved profitability of investment opportunities.

The more rapid growth fostered by tax reduction will, to be sure, generate further increases in our imports. To the extent that this results in higher foreign exchange earnings by the developing countries, we can expect larger demands for our exports as well. But more directly, the tax program can also help to sharpen the competitive position of our industries in world markets. Our export effort must be concentrated on new and sophisticated manufactured goods, for it is there that export markets are strongest, and there that the needed expansion in our foreign sales must be centered, but it is also there that our foreign competitors have made their greatest strides. We must redouble our efforts to remain at the very forefront of technological progress by applying our scientific abilities to industrial products and processes, and incorporating our new technology in new investment. The President's proposal to permit equipment used in research and development to be charged off as a current expense will directly support this objective. But far more important is the basic encouragement tax rate reductions can give to investment and growth, so that our industry can be better equipped to pour out in ever-increasing volume the new products the world wants.

Thus, there are sound reasons for believing that the tax program will, as it becomes fully effective, reinforce the fundamental longer-run factors that are moving our payments position toward equilibrium. But I would not want to lull anyone into a false sense of confidence over the immediate outlook. The sound medicines of more profitable investment at home, stable prices, and a dynamic industry penetrating new export markets can work their cure only with time.

The immediate prospect, as nearly as anyone can judge, is for another year of deficit in 1963, and for further gold losses. Faced with this prospect, it is vitally important that we redouble our efforts to reduce further the drains related to our Government programs overseas, and to achieve the kind of performance of our market economy that will bring higher exports and more attractive investment opportunities at home. At the same time, to meet our immediate problems, we need to maintain sound defenses for the dollar. That is why we have worked so steadily, in full cooperation with our friends abroad, to test and develop a wide variety of techniques designed to head off speculative disturbances

in the gold and exchange markets and to absorb temporarily excessive supplies of dollars passing into the hands of foreigners.

We fully recognize that these devices are not substitutes for balance-of-payments equilibrium. Indeed, their success ultimately depends upon confidence in our ability and willingness to deal with our fundamental payments problem. But they are an important bulwark for the international payments system upon which all free nations depend, and which ultimately rests upon the free interchange of gold and dollars. Moreover, the usefulness of these arrangements in meeting potential or actual pressures on the dollar and on other currencies has now been amply demonstrated—for example, at the time of the stock market break, the Canadian crisis, and last fall's Cuban showdown.

But, during this critical period, we also need flexible monetary policies, alert to possible strains on the dollar and free to respond promptly in time of need. The difficulty today is that in the absence of expansionary fiscal or tax policy, a sharp and substantial tightening of credit could present real risks to the domestic economy. But, as the President has emphasized on several occasions, and specifically in his Tax Message, "a nation operating closer to capacity will be freer to use monetary tools to protect its international accounts, should events so require." In short, our immediate balance-of-payments situation offers one of the most telling arguments in favor of a tax policy designed to stimulate the economy and thus give greater freedom to those who bear the heavy responsibility of administering monetary policy.

I do not pretend that the tax program alone can meet all of our problems at home or abroad, or that it entails no risks. That would be nonsense. Fiscal policy is not a tool to be used with abandon. We would much prefer to have been able to present our tax program within the context of a balanced budget, and we had hoped to do so. But we cannot afford to wait, and the prospect of budgetary balance in the years ahead will be enhanced, rather than reduced, by soundly conceived tax reduction. Our unsatisfactory growth of recent years, the sluggishness of our investment, the pressures on profits, our idle capacity and manpower, and the failure of revenues to expand with more vigor, can all be traced in good part to the restraining effects of a tax structure unsuited to today's needs. I am firmly convinced—along with a broad cross-section of the business community—that to continue operating with the present tax structure would not be consistent with true fiscal responsibility.

We have arranged the phasing of the proposed tax reductions over three fiscal years in a manner, consistent with earlier proposals by business groups, that will minimize the transitional budgetary deficits. In fiscal 1964, the great bulk of the anticipated $12 billion deficit would face us in any event, and has no connection with the tax program. The critical need is to finance this deficit in a way that will not give rise to renewed inflationary pressures as we move closer to full employment and reasonably full capacity operations. This is what we have done in financing the deficits of the past two years, and what we mean to do in the future.

Our latest figures on the distribution of the public debt, those for January 31st, show that the entire increase over the preceding 12 months was financed outside the banking system—an increase of $1.8 billion in Federal Reserve holdings being fully offset by an equivalent decrease in commercial bank holdings. Furthermore, the increase in the outstanding marketable debt maturing in five years or more was larger than the total deficit. This policy of working persistently toward a balanced debt structure can be symbolized in a short-hand way by the fact that on March 15, after taking into account the results of our current advance refunding, the average maturity of the marketable debt will be 5 years and 1 month, 11 percent longer than at the end of 1960, and the longest since the fall of 1958.

Some observers have felt that we have been overzealous in our desire to maintain a debt structure that will avoid the danger of excessive liquidity and a future inflationary problem. But this view, in my judgment, underrates the continued availablity of new savings in amounts more than adequate to meet the current borrowing requirements of business, individuals, and State and local governments, as well as the essential need to forestall any rebirth of inflation as the stimulus from the tax program takes hold. Moreover, the techniques available to us—and especially the device of advance refundings—have enabled us to attract longer-term funds with a minimum of market disturbance.

As I look ahead, I see no reason to believe that we cannot continue for some time to finance the deficit largely from savings, without bringing strong upward pressures on market rates, for there is today a vast flow of funds through our financial institutions seeking longer-term commitments. Of course, as investment

activity increases in response to the stimulus of tax reductions, private credit demands will also expand, and the available supply of savings will be more fully absorbed. As I have suggested, this is one of the primary reasons why the tax program can be helpful to our balance of payments. We must also recognize that under these conditions, interest rates may rise in response to market forces, even though savings, too, can be expected to rise with incomes.

I can assure you that we have no intention of retreating at that point to excessive monetization of debt to meet our financing needs. When the economy approaches more closely the limits of its capacity, we will need to redouble our guard against potential inflationary pressures. Even more to the point, the higher revenues generated by economic expansion would be directed toward achieving budgetary balance and surplus, thereby releasing savings for productive use by other sectors of the economy.

The President has repeatedly stated that, after enactment of the tax program, a substantial portion of the increased revenues that can be expected in the years ahead will be devoted to reducing and eliminating the budgetary deficit. This policy is an integral and essential part of our financial and tax program. In recognition of the need to accompany tax reduction with rigorous expenditure control, several billions of dollars were cut from estimates developed only a few months ago. Programs that in other circumstances might have been expanded were cut back or deferred. Efforts to achieve economies—including those within the Defense Department—were intensified. And we are proceeding vigorously with efforts to substitute private for public credit wherever feasible.

Nevertheless, a realistic appraisal of the international situation has compelled a further increase in our spending for defense. And our program to put a man on the moon in this decade required an increase of $1.8 billion in space expenditures. These items, together with interest costs, account for more than 70 percent of our entire budget, and for all of the increase in fiscal 1964. Total spending for civilian programs is scheduled to decline. In a longer perspective, it is worth noting that, of the total increase of $17.3 billion in administrative budget expenditures over the three fiscal years from 1961 to 1964, $12.6 billion is for defense, space, and interest on the public debt, while not much more than a quarter, or $4.7 billion, is for civilian programs. In the three preceding fiscal years—excluding temporary unemployment compensation and all the other antirecession expenditures incurred by this Administration during the closing months of fiscal 1961—the rise in civilian spending was over $4 billion, or almost as large.

Our defense establishment is now approaching the new level of readiness set by the Administration, and Secretary McNamara has expressed his confidence that the upward spending trend will taper off after fiscal 1964. If our lunar exploration timetable is to be met, another sizable, but probably smaller, increase in spending for space will be necessary in fiscal 1965, but the prospect here also is for a leveling trend thereafter. This will substantially ease our budgetary task, but we recognize that it will not relieve us from the need for continuous rigorous screening of domestic civilian programs.

A compelling case can be made for increased spending for certain of these civilian programs, some of them new, that are vital to the national interest, but it is our job to find the savings in other areas that will make these programs possible within the confines set by our target of budgetary balance. In undertaking our program of tax reduction we have committed ourselves to do just that. But to defer the tax program to some indefinite future point in the hope that budgetary balance can somehow be achieved with present tax rates—when it is those very rates that stifle the growth we need—seems to me to be self-defeating, and to carry grave risks both for domestic expansion and the balance of payments.

There are simply no easy solutions to our multiple problems at home and abroad. The challenge, for both Government and business, is to appraise these problems realistically, and to seek together in a spirit of partnership the kinds of answers that are fully consistent with our traditions of free markets and free enterprise. The special role of Government, beyond intensive efforts to economize in its own overseas spending, must be to provide an environment of monetary stability, responsible budgetary and debt management policies, and freedom from oppressive taxation in which private enterprise can find renewed incentives to invest at home and to seek out profitable export markets. The special responsibility of business is to make extra efforts—consistent with its own long-run interest—to develop foreign markets and sources of foreign finance, to exercise appropriate restraint in wage and pricing decisions, and, by no means least, to contribute to a process of serious discussion and debate from which intelligent public policy can emerge

Over the past 10 years these monetary conferences sponsored by the American Bankers Association have provided a forum for just such discussion, and I am especially grateful to have had this opportunity to discuss our thinking with you today.

Exhibit 25.—Statement by Secretary of the Treasury Dillon as Governor for the United States, October 1, 1963, at the discussion of the Annual Report of the International Monetary Fund

At the outset of my remarks, I ask you to join with me in paying tribute to our late, great colleague and good friend, Per Jacobsson. Firmly dedicated throughout his long and distinguished career to the cause of financial stability, he guided the International Monetary Fund with a deep understanding of the needs and realities of his times. The responsibilities of Managing Director have now passed into the capable hands of Pierre-Paul Schweitzer. His willingness to assume these duties provides us with fresh assurance that the Fund, building on its current strength and influence at the center of the international monetary system, will successfully meet the fresh challenges that lie ahead.

It is also a pleasure to welcome to the Fund family an unusually large number of new members, bringing our group to more than 100. The election of a nineteenth Executive Director who will cast the votes of a group of the many new African members is symbolic of the increasing usefulness of the Fund to the emerging nations.

I am sure that each of these new members will profit from the important assistance the Fund can render to their further development through its expanding program of technical assistance in the areas of central banking and fiscal practices and policies, through its regular consultations, and by providing timely financial support for well-conceived stabilization programs. In addition, the new compensatory financing facilities announced last March mark an important and constructive advance in the services available to members heavily dependent upon exports of primary commodities.

These activities in support of balanced, dynamic growth are, of course, complemented by those of the Fund's companion Bretton Woods institution, the World Bank and its affiliates, now under the able direction of George Woods. I should mention particularly at this year's meeting the work of the International Development Association, whose activities in so short a span of time offer so much promise for the future. Action by the Part I countries on the proposals for increasing its resources will mark another milestone in the work to which it is dedicated and in which we are all joined together.

The successive annual reports of the International Monetary Fund have expertly traced the evolution of our international monetary system since World War II. They have also made clear that new problems have a way of emerging as older ones are solved. The report for 1963 is no exception. In particular, it deals at some length with the adequacy of existing arrangements for providing international liquidity during the coming years. The authors point out that liquidity is not simply a matter of the aggregate of official holdings of gold or foreign exchange, and they review the progress made in recent years—in considerable part under the auspices of the Fund itself—in supplementing these resources with international credit. But the report also recognizes that the needs of nations for assured means of financing balance-of-payments deficits—either by drawing upon a stock of liquid assets or by means of borrowing—can be expected to increase over time. At the same time, as the deficit in the balance of payments of the United States is narrowed and closed, that deficit will no longer contribute to the liquidity of other nations in the manner and magnitude of the last few years.

The Fund's report has now been supplemented by the thoughtful and important statement of its new Managing Director. Mr. Schweitzer indicated that the Fund expects to study the problem of international liquidity and has expressed the Fund's readiness to cooperate with others in such a study. He points out that studies of this problem are timely even though there is at present no sign of any shortage in international liquidity. He has also given us his view that the Fund should be at the center of whatever strengthening of the international monetary system may prove to be desirable. The United States finds itself in general agreement with all of these thoughts.

But in discussing this matter, I would like to make one point crystal clear: the United States does not view possible improvements in the methods of supply-

ing international liquidity as relieving it of the compelling and immediate task of reducing its own payments deficit. Indeed, it is largely the prospect of the elimination of the U.S. payments deficit that makes it necessary and advisable to undertake these studies.

Nor can the provision of appropriate facilities for international liquidity relieve nations of their joint responsibilities for effective and timely action to eliminate such imbalances in trade and payments as may arise in the future. In a world of fixed exchange rates and convertible currencies, deficits and surpluses emerge from a wide variety of causes, both domestic and international. The necessity to make cash outlays for defense and aid, shifts in the basic pattern of demand for internationally traded goods, the development of new products, resources and production techniques (and developments in capital markets) can be just as important as changes in average price levels and aggregate demand within countries.

The adjustments necessary to correct these deficits and surpluses take time if they are to proceed in an orderly fashion, without damaging consequences for either domestic growth and stability or the free flow of trade among nations. That is why, as part of the adjustment process, a country experiencing deficits needs reserves to draw upon, or credit that it can rely upon. That is also why a country receiving the counterpart in surpluses needs assets of assured value, in amounts and forms that will not disrupt its own economy. But in the last analysis without effective adjustments by both deficit and surplus countries, no amount of liquidity will enable us to achieve the mutual benefits of a closely integrated world economy within a framework of steady growth accompanied by monetary stability.

The challenge implicit in this situation is clear. Side by side with our studies of possible liquidity needs, we must consciously seek out means of improving the process of international adjustment itself, while preserving our separate abilities to meet our respective domestic needs.

This is a large order, but one that is well within our capacities. Much has been learned from the experience of recent years. We have come to recognize that in shaping domestic policies and choosing from the various tools available for use, their varying impact upon our external accounts, and upon those of our trading partners, must be taken fully into account. There is greater awareness of the need to identify and eliminate those market rigidities that inhibit the process of adjustment. And we are learning that new techniques can be developed for assisting the process of adjustment that are consistent with domestic goals and competitive markets.

Much of this can be illustrated by analysis of the position of the United States, faced as we are with the twin tasks of achieving more rapid growth at home while simultaneously closing the troublesome gap in our balance of payments. And many of the lessons of this experience, I believe, will prove sooner or later to be more generally applicable to the problems of international adjustment.

Business activity in the United States has continued to expand over the past year at a fairly steady pace. Total output has now reached a rate of over $585 billion a year, in real terms more than 13 percent above the level of early 1961.

Measured against other peacetime expansions of the past forty years, this performance has been encouraging. All but one of these recovery periods have now been equaled or exceeded in terms of percentage increase in output, and that single exception took place only after the steep declines in production during the early 1930's. Prices of manufactured goods have remained virtually unchanged during the current expansion, extending the period of stability that has existed since 1958. However, unemployment is still excessive. And we are not fully utilizing our available savings or our existing productive plant capacity. True, investment activity has risen in response to increases in demand and to measures introduced a year ago to liberalize the tax treatment of depreciation and provide an investment tax credit. But new investment still remains below the levels required to support a full employment economy and to assure the position of our industry among the leaders in technological progress.

At the same time, our overall balance of payments has responded slowly to the series of measures we have undertaken since 1961. The overall deficit was reduced to $2.2 billion in 1962, from $3.9 billion in 1960, and $2.4 billion in 1961. But the deficit grew markedly larger during the first half of 1963.

When this situation first became apparent, we made a thoroughgoing review of our entire balance-of-payments program, which culminated in a series of decisions announced by the President on July 18. Resulting programs now underway will, by the end of next year bring a reduction of $1 billion in the annual rate of dollar

expenditures abroad for defense, aid, and other Government programs. Savings of similar magnitude are also expected on capital account as a result of the proposed interest equalization tax and the firmer structure of short-term interest rates accompanying the recent one-half percent increase in the Federal Reserve discount rate. We can already see indications that the deterioration in our accounts during the first half of the year is being arrested.

These new actions will complement and reinforce the longer-run measures we have been taking to achieve both external balance and more rapid domestic growth. Basic to our strategy for achieving these twin goals is a broad program of individual and corporate tax reduction totaling $11 billion, which, after passage by our House of Representatives last week, is now before our Senate. It will provide an impetus to the domestic economy in a manner consistent with our international position. It will give increased flexibility to our monetary authorities in meeting balance-of-payments requirements. The added incentives for use of capital in the United States will enhance the relative attractiveness of investment here for Americans and foreigners alike. At the same time, the increased productivity associated with rising investment, together with greater incentives to develop and market new products and to apply more rapidly the fruits of our vast research capabilities, will reinforce the efforts we are making to increase our exports.

Our ability to expand production—which is implicit in our current unemployment, in our rapidly growing labor force, and in our margin of underutilized industrial capacity—provides protection against upward price pressures as the stimulus from the tax program takes hold. Meanwhile, we are continuing successfully to finance our budgetary deficit outside the banking system. For instance, in the year that ended August 31, the latest date for which figures are available, the combined holdings of Government debt in the hands of our Federal Reserve and commercial banks declined by more than $1½ billion. We have also made further progress in improving the maturity structure of our marketable debt. As a result of our latest advance refunding, the average life of that debt exceeded 5¼ years for the first time since 1956. We are not faced, therefore, with the kind of excessive liquidity that could fuel inflationary developments as our economy moves toward fuller employment.

Perhaps most significant of all in terms of the outlook for prices, our manufacturing labor costs per unit of output have declined over the past three years, the first time since World War II that this basic measure of our competitive strength has improved for so long a period, or during a time of substantial recovery. And the rate of wage increases in our manufacturing industry is holding within the range of past and anticipated productivity increases.

In this way, we are encouraging basic corrective forces in terms of costs and prices that should provide a firm base for improving our trading position, thus contributing to the orderly adjustment of our entire balance of payments. Highly tentative, but nonetheless encouraging, signs of an improvement in our international competitive position are developing. But it is clear that the contribution that exports can make to overall balance will be heavily dependent upon the adjustment policies of other nations as well. By this I do not, of course, mean to suggest that surplus nations have a responsibility to inflate, any more than it would be consistent with our internal needs to force deflation. Nor, in our particular situation, would it be reasonable to look only, or primarily, to increases in our commercial trade balance as the solution for our payments problem.

But opportunities do exist for surplus nations, in instances where inflationary pressures are evident, to serve the interests both of their own domestic stability and of external balance by reducing or eliminating barriers to imports including those from the United States. In the search for effective adjustment mechanisms within the context of a convertible currency system, this kind of action, it seems to me, can become, for surplus countries, a modern substitute for the inflationary price adjustments that we must all do everything we can to avoid.

A basic factor in our own deficit position has been the heavy burden we carry for the defense of the free world and for assisting the development of less favored nations. This burden, in a wider context, is an inescapable part of the kind of world we live in. But we are also learning that methods of handling these Government out-payments, and more appropriate distribution of their balance-of-payments impact, can also contribute to the adjustment process without subverting their essential purpose.

Important savings have already been made in this area, reducing net outflows under our defense and aid programs from $3.8 billion in 1960 to $3.0 billion in

1962. A large portion of this improvement can be traced to the recognition by some European countries of their growing capacity to assume a greater share of the foreign exchange costs of the common defense. As a result, the drain on our payments from maintaining our troops in Germany and Italy is now virtually fully offset by their purchase of military equipment and supplies from the United States, equipment which, because of the size and flexibility of our defense industry, can be produced more rapidly and more economically in the United States than in their own countries. Thus these arrangements have simultaneously strengthened the free world's military and economic defenses.

In addition, we have adopted a policy of providing the great bulk of our economic aid to developing countries in the form of goods and services, so that it can be brought within the limits of our capacity without impairing its effectiveness. When current commitments are fully reflected in actual disbursements, only some 10 percent of the aid from our various foreign assistance programs will be provided in the form of dollars. At the same time, I believe that we must guard against any tendency to make the "tying" of aid into a subtle new form of protection for home industries. Rather, the logic of our efforts to expand multilateral trade and promote international efficiency through competition among the producers of all nations demands that it be used as a temporary device, reserved for periods of balance-of-payments strains.

With forces of adjustment underway in both our Government and our commercial trade accounts, the most pressing problem in terms of our balance of payments has been the recent acceleration in the outflow of long-term capital. The net outflow of such capital during the first half of this year reached an annual rate of $3.8 billion. This was fully $1.3 billion higher than the already substantial figures for 1962, and nearly double the rate maintained over the years 1959–61. While some of this recent increase stemmed from direct investment, a flood of new foreign borrowings totaling nearly $1 billion in only six months was the major factor. This is considerably more than three times the volume we have been accustomed to.

It is entirely consistent with restoration of full equilibrium in international payments that the United States, with its capacity to generate large savings, continue to supply reasonable amounts of capital to aid the development of other nations. But, it is perfectly clear that maintenance of outflows at the recent pace, far from being a constructive force in world payments, would soon put intolerable strains on the international monetary system as a whole.

As our program of tax reduction takes hold and there are stronger incentives to employ a larger portion of our savings at home, normal market forces will work strongly in the direction of reducing this outflow of long-term capital to more tolerable levels. But the experience of the past year makes clear that we cannot rely on these longer-term forces of adjustment to meet our immediate problems. Nor is it feasible to speed the process of adjustment by artificial attempts to force our entire structure of long-term interest rates sharply and suddenly higher. If possible at all in the face of the huge supply of savings flowing into our markets, this course of action would require so drastic a tightening of credit as to seriously jeopardize the prospects for domestic expansion.

In this situation, we have recommended enactment of a temporary interest equalization tax which will have the effect of raising the costs of portfolio capital in our market by one percent for borrowers in the developed countries abroad. This will bring these costs into a rough alignment with those in most other industrialized countries. The purpose is quite simple: to speed the essential redirection of capital flows in a manner comparable to an equivalent, but presently impracticable, rise in our entire structure of interest rates.

We view this tax solely as a necessary, but temporary, expedient to meet a specific situation that has arisen in large part out of a structural imbalance in the capital markets of the free world. Borrowers from deficit and surplus countries alike converge upon the New York market, not only because of our lower structure of long-term interest rates—since equivalent or lower rates can be found in at least two other countries—but because it is still the only source for international capital in whatever size and form desired, freely available to any borrower able to meet the normal market test of credit-worthiness, and offering highly efficient distribution facilities with low issuing costs. In contrast, potential alternative markets are in most cases subject to official controls or have difficulty in supplying the needed funds in the volume required. And, with few exceptions, they are characterized by high and rigid rate structures. In the face of this situation, we

must temporarily help to redirect the demands pressing on our market through a tax that will increase the costs of long-term borrowing here by foreigners.

The impediments to the development of more adequate European capital markets are currently under close and continuing study within the Organization for Economic Cooperation and Development, and progress is beginning to be visible. As efforts to improve European capital markets come to fruition and the remaining controls and restrictions are eliminated—and as our own domestic demands for capital put increased pressures upon our supply of savings—there is every reason to believe that the need for extraordinary action of the kind we are now taking will be eliminated.

When the Fund was established, there was great apprehension that sudden and massive short-term capital movements might again become a disruptive influence as they had in the disturbed climate of the 1930s. Gratifying progress has been made in developing sturdy defenses against such threats to our convertible currency system through the concerted cooperative efforts of the industrialized countries. A chain of new facilities for coping with such pressures is now in place and tested, and there are grounds for confidence that the processes of adjustment can be shielded from perverse speculative flows in the future.

With the restoration of convertibility, however, it has become apparent that a sizable volume of capital is ready to move from country to country in response to relatively small shifts in interest rates. Thus, the stability of exchange rates and freedom of markets toward which we have all worked in the postwar period carries with it the implication that short-term interest rates in the major trading countries must inevitably be kept reasonably well in line with each other.

Both problems and opportunities are implicit in these circumstances. Domestic objectives will sometimes limit the practicable range of fluctuation in interest rates that can be undertaken for facilitating balance-of-payments adjustment. But, since the margin between rate relationships that attract or repel short-term funds is likely to be relatively narrow, it will usually be feasible to encourage small changes in short-term rates in the interest of speeding restoration of international equilibrium without disturbing the domestic economy.

Most promising of all in terms of facilitating the adjustment process is the increasingly close and continuous consultation on these matters that has developed in the forums provided by this institution, by the Organization for Economic Cooperation and Development, and by the Bank for International Settlements. This has been particularly evident in the area of short-term capital flows and interest rates. But we are also coming to understand that this same kind of consultation and cooperation is essential in other areas as well. We know that any adjustment demands offsetting changes in the position of deficit and surplus nations. We also know, in the last analysis, that these adjustments must take place, for no workable international monetary system will allow a nation to continue to run a deficit, or for that matter a surplus, for an indefinite period.

The critical question is how the adjustments are to be made. Balance can be—and too often in the past has been—forced by measures that endanger domestic stability or the prospects for growing trade. Those alternatives are not open to us today if the bright promise of all that has been accomplished since Bretton Woods is to be fulfilled. Nor can the industrialized countries afford to undermine the defenses of freedom or to withdraw their support of the developing nations.

The only realistic solution is to find effective ways for reconciling the requirements of a convertible currency system based on fixed exchange rates with the freedom of each nation to pursue domestic growth and stability. No methods will work instantaneously, and one prerequisite to their proper functioning is the availability of adequate liquidity, in the form of international reserves or ready access to credit. The studies now being launched provide fresh assurance that these liquidity needs will be met effectively in the more distant future, just as they are being met effectively today.

But adequate liquidity will not make our machinery of adjustment work automatically, nor can its development be safely put off until emergencies arise. Instead, its effective use will require governments of all nations with a stake in a liberal trading order to work together continuously in many areas: In developing a mix of domestic policies appropriate to external circumstances, in adjusting trade policies, in sharing the burdens of aid and defense, in providing long-term capital, and in eliminating rigidities and inefficiencies in their economies that impede and distort the adjustment process. That willingness, I believe, is now being demonstrated more fully than at any time in the past. This is the real source of my confidence—not only that the United States will restore balance in its own ac-

counts, for we intend to carry out that responsibility in any event—but also that a true equilibrium can be restored within a framework of expanding trade, flourishing growth, and monetary stability.

Exhibit 26.—Statement by Under Secretary of the Treasury for Monetary Affairs Roosa, July 10, 1962, before the House Committee on Banking and Currency on interest rates on official time deposits

I am happy to appear before you today in support of H.R. 12080. This bill, which implements a recommendation in the President's Message to the Congress on the Balance of Payments of February 6, 1961, would exempt from the regulatory ceilings of the Federal Reserve Board the rates of interest that may be paid by commercial banks on the time deposits of foreign governments, their central banks or other monetary authorities, and international institutions of which the United States is a member. In effect, by making possible more flexible treatment of this limited class of deposits, the bill would add another degree of freedom to the international money market which has been evolving in the United States. It would permit creative, imaginative, and competitive commercial banking to adapt more effectively to the changing demands upon the dollar, and thereby support its role as the principal international reserve currency.

The problem to which this bill is directed arises because interest rate ceilings for commercial bank time and savings deposits, familiarly known as Regulation Q, have been established primarily on the basis of domestic considerations. Those considerations are important, but, in the new world of convertible currencies and expanding foreign trade, the mold cast for our thousands of banks engaged solely in domestic business no longer fits for that part of our banking activity which represents the servicing of the monetary reserves, that is, the dollars, which provide the "backing" for a large part of all the other currencies now circulating in the world. The responsibilities and the opportunities of the United States in its position at the center of the world's monetary system now make it appropriate that we permit banks to pay interest at whatever rate their earnings will permit on those foreign time deposits that are a part of the monetary reserves of most of the rest of the world.

Any country's decision to hold dollars as a part of its basic international reserves is based upon a complex of interrelated factors. Interest rates alone are only one, to be sure, and they are by no means the most important factor. Underlying all else is confidence in the willingness and ability of the United States to buy gold from, and sell it to, all responsible foreign monetary authorities and to make the exchange for dollars upon demand at the established price of $35 an ounce. That commitment, in the end, must rest solidly on the enormous productive capacity of this country and the ability of our industry to compete effectively in world markets for goods and services. Confidence in the stability of the dollar, together with the fact that the United States itself accounts for a large portion of world trade and investment, largely explains the unquestioned acceptability of the dollar as the leading means of international payment.

The value of the dollar as an international reserve and trading currency is further bulwarked by the efficient facilities provided foreigners by American banking and other financial institutions—facilities that permit speedy transfers of funds between holders and between countries, ready convertibility into other currencies, free access to credit flexibly tailored to meet specific needs as they arise, and all the other varied and specialized services that must be part of an international money market. Whether we would have wished it or not, whether others would choose it or not, the fact is that we are the only country now capable of providing those services on the scale needed to sustain the smooth functioning of the monetary system of the free world. And, of course, we gain, directly and indirectly, lasting advantages in trade and other relations as a result of our carrying these responsibilities.

The bill we are considering today has a direct bearing on one of the kinds of services which help in maintaining the versatility and universal acceptability of the dollar: the ability of our financial system to provide a broad range of suitable investment media for foreign funds, including particularly funds for which no immediate disbursement is contemplated but which must be placed in investment media of unquestioned safety and ready availability in time of need. Time deposits with our leading commercial banks have traditionally provided to foreigners

a desirable short-term investment vehicle of this sort. These deposits provide a direct return in the form of interest, and their maturity and other terms can be flexibly adjusted to the needs of the foreign investors. Moreover, they have the additional advantage of encouraging close customer-banker relationships, helping to support or assure lines of credit when needed and broadening access to a host of other banking services. If our private enterprise system, through the banks, is to perform these services with full effectiveness, it must be free to compete for reserve balances in the form of deposits, for banking pays its way by obtaining the accounts to match the services it performs.

For all these reasons, some foreign governments and international institutions prefer to hold at least a portion of their short-term dollar holdings in the form of time deposits rather than in other, more impersonal, short-term investment media. Thus our leading commercial banks are sometimes able to attract into time deposits funds that might otherwise be transferred to other countries or exchanged for gold. Today, over $2 billion of the funds of foreign governments and international institutions are held in this form, more than three times the volume of working balances held in noninterest-bearing demand deposits.

In recent years, however, the interest rate ceilings applied to all time and savings deposits by Federal Reserve and Federal Deposit Insurance Corporation regulations (under the terms of paragraph 14 of section 19 of the Federal Reserve Act and subsection (g) of section 18 of the Federal Deposit Insurance Act) have sometimes prevented commercial banks from providing a return to foreign depositors as high as they themselves would be willing to pay in the light of the profitable investment opportunities open to them and their own longer-run interest in solid customer relationships. To this extent, our commercial banks have not been able to exercise their full potential, in concert with the broader public interest, for attracting and retaining funds of official foreign institutions in this country.

The root of the difficulty is that the language of the Federal Reserve Act and the Federal Deposit Insurance Act has been carefully interpreted to mean that the interest rate ceilings set by regulation must be applied to domestic and foreign depositors alike (including foreign governments and international institutions). Distinctions may be drawn, consistent with present law, between deposits of various maturities and types, or by reason of the location of the deposit itself, but these distinctions cannot be based on the location or the nature of the depositor. Under these circumstances, the regulatory ceilings have necessarily had to be set on the basis of broad domestic considerations that importantly affect banks throughout the country, even at the expense of inhibiting the desirable interplay of competitive market forces in attracting and holding the reserve funds of foreign countries.

This bill would make a clear distinction between all other time deposits and those of foreign governments and monetary authorities and international institutions. By permitting banks freedom to offer these governments and institutions higher rates for their dollar balances, and to undertake more aggressively a broader range of services supported by a growing volume of such deposits, the bill may also reduce the alternative attractiveness of purchasing or holding gold. And the provisions of the bill do include, of course, all foreign bodies legally entitled to purchase gold from the United States. Moreover, American banks in some instances will be able to eliminate or reduce incentives to transfer reserve funds to other financial centers, or to place them in the increasingly active market which has sprung up for dollar balances in Europe or elsewhere. The growth of this "Euro-dollar" market has, in fact, been spurred in part by the interest rate ceilings imposed on American banks operating in this country. While the effect of these transfers on our own gold and dollar position is complex—and does not necessarily lead to a loss of gold—it may do so if the funds end up in the hands of other central banks that, as a matter of policy, tend to place a high proportion of their reserves in gold rather than dollars.

It would be a mistake to think of this bill as a major part of our attack on our gold and balance-of-payments problem. It will have no direct effect on our balance-of-payments deficit, as such, because it will not reduce the supply of dollars passing into the hands of foreigners. It will not permit us to create for ourselves a domestic island of easy money and low interest rates for borrowers at home, while at the same time attracting funds from abroad with very high interest rates, for no bank will be prepared to offer uniquely high rates to foreign depositors when it, itself, cannot lend or invest those funds profitably in this country. Nor can the bill, directed as it is solely toward foreign governments,

foreign central banks, and international institutions, effectively influence the decisions of private individuals or businesses or banks abroad who receive dollars. They may retain such dollars or they may sell them, and only in the latter event, if their governments or central banks should acquire them, will the provisions of this bill have any potential influence.

The decision which the competitive freedom permitted the banks by this bill will influence is the final, but critical—choice of foreign monetary authorities between holding dollars or gold—or perhaps another currency. The level of rates available for time deposits at American banks can be only one of many factors bearing upon this decision, and, as I have suggested, it is not likely to be the most important. For one thing, time deposits are only one of several forms in which the dollars might earn interest. Moreover, more basic considerations than the rate of return on short-term investments lie behind most judgments of foreign governments to purchase, or to refrain from the purchase, of gold.

Nevertheless, the flexibility permitted by this bill will be a worthwhile addition to our total effort to achieve a pattern of financial arrangements equal to the task of supporting the position of the dollar, and with it, the whole international monetary system based upon the use of the dollar, side by side with gold, as a reserve currency. The bill parallels and supplements the ability of the Treasury itself to tailor its own securities to meet the investment needs of foreign governments. It will complement our efforts to keep the level of short-term rates in this country reasonably attractive in comparison to those available abroad. It will assist the leading money market banks in their effort to provide to foreign governments the attractive variety of services and credit facilities that are an essential part of our responsibility as banker to the world. And it is entirely consistent with our philosophy of relying to the maximum extent possible on the forces of a free competitive market and our rejection of exchange controls and other artificial barriers and incentives to the movement of funds between countries.

In our judgment, the narrow exemption from regulation provided by this bill will create no danger that intense competition between banks for these deposits could in any way undermine the safety and stability of the banking system. Competition for these deposits is virtually confined to the larger commercial banks able to maintain a full range of costly facilities required to service foreign accounts. These banks are in a position to make informed judgments concerning the risks and returns involved in this business and, in fact, have had long experience in competing for such deposits at home and abroad. Moreover, deposits of this type will, at best, account for but a small portion of their total deposits.

Finally, I should emphasize that this bill does not represent any new departure in policy, but rather supplements other measures that have been and are being taken by our Government to provide attractive facilities for the investment of funds of official foreign institutions in the American market. For instance, the Treasury during the past year has, on several occasions, used its authority to provide official foreign institutions with special nonmarketable issues of U.S. Government debt especially tailored to their maturity requirements. The Congress last year granted to all foreign central banks tax exemption on interest earned on their holdings of U.S. Government securities—an exemption formerly limited to foreign governments, to certain types of central banks, or to countries where exemption was provided by terms of a specific tax treaty.

These devices have been helpful, but they cannot supplant the efforts of commercial banks. Within the basic framework of free, competitive markets, both Government and private finance have a role to play. Our aim is to achieve as diversified and attractive facilities for the investment of foreign official funds as we can.

I urge your approval of this bill as a limited, but nonetheless significant, measure in support of that aim.

EXHIBIT 27.—Remarks by Under Secretary of the Treasury for Monetary Affairs Roosa, September 25, 1962, at the annual convention of the American Bankers Association on banking and the balance of payments

Your meetings have begun here in Atlantic City just as the annual meeting of the free world's finance ministers and central bankers ended in Washington. There, the financial officials of the more than eighty countries renewed, indeed they reinforced, their expressions of confidence in us, and in our dollar. But, gratifying though this is, the reaffirmation of confidence must not be misinterpreted. It does not mean that any of us in the United States can slacken in any

way the drive toward getting this country's international accounts into balance. It only means that enough has so far been accomplished to persuade the rest of the world that we will be able, if we try even harder, to finish the job.

That is why our discussion of the balance of payments here this morning is so timely. For the banking fraternity has played, and will certainly continue to play, a leading part in alerting America to its balance-of-payments problems and the new efforts needed to limit costs and raise productivity in order to promote both greater growth and more exports. Bankers know that the dimensions of the problem ahead are still large. To be sure, thus far in 1962, the overall deficit has approximated an annual rate of $1½ billion, a striking contrast to the deficit of $2.5 billion in 1961, and to the much higher figure of $3.9 billion in 1960. While it is still not possible to sort out fully the influence of the recent Canadian difficulties from more lasting factors, the performance this year has been gratifying. But what this also means is that all of the more obvious, the "easier" measures to reduce the deficit have now been taken. That is why our approach in the Government is, and must be, to give continuing and direct attention, systematically and persistently, to every possible way, large and small, of helping our drive toward balance-of-payments equilibrium.

That is why we have a special Cabinet Committee, headed by Secretary Dillon, which reports directly and frequently to the President, in order to speed decisions and assure continuous top-level leadership within all branches of the Federal Government. Out of that Committee's work has come a new control system, covering all expenditures of funds overseas by every Federal agency. Every item must now be justified in terms of today's priorities. And the national export drive is receiving new impetus from the appointment last July of an Export Coordinator who will oversee and expedite all of the vastly expanded services for exporters throughout Government, not passively, but actively, by working with individual companies and industry groups to establish goals for expanded sales around the world.

So far as Government's own part of the deficit is concerned, the large items have been military outlays and economic aid. Over the past 18 months, the Defense Department has cut roughly one-third from our net dollar spending abroad for defense, not by cutting down on activities, though some cuts have proved possible, but mainly by persuading our allies that it would pay them to return to us the dollars they receive. How? By purchasing here, at lower costs, some of the military equipment which they need, and achieving the ends of standardization at the same time.

We have been equally vigorous in limiting the balance-of-payments drains from our economic assistance programs. The balance-of-payments impact of the current $4 billion program is being reduced by providing more aid in the form of American goods and services. Eighty percent of the funds being committed under current directives will directly result in American exports, and I can assure you that every significant outlay for aid that comes within that other twenty percent (that is, spent abroad) must be justified in terms of national priorities at the highest level of Government.

Essential as is this close attention to Government programs, all of us recognize that, in the end, American success must rest on the performance of the private economy: Its ability to find profitable opportunities for productive home investment; to reduce unemployment; to improve efficiency; to maintain price stability; and to seek out and penetrate export markets. This is the way, and the only way, we can expect to combine healthy growth at home with external balance. It is just such considerations that underlie so much of our emphasis on tax reform, reform that will stimulate new incentives to work, to invest, and to cut costs. Such reform has already reached some distance by revising depreciation guidelines; will soon hopefully be enlarged by the 7-percent tax credit for investment; and must be furthered in the next Congress by an across-the-board realignment and reduction in the tax rate structure. We simply cannot afford to carry on indefinitely, in this competitive world, with a tax structure that dulls initiative and brakes the economy at levels well below its full potential.

Government itself is now providing American businessmen with more information in detail on foreign markets than ever before. And foreign businessmen are being exposed to many more American products, through new trade centers abroad, through trade fairs, and through the determined day-to-day efforts of our foreign representatives. But these activities can reach their full potential only if the facts and opportunities of foreign trade become as familiar to the American

businessman as they have long been to his foreign competitor, who, by necessity, has had to depend for generations on foreign markets for his daily livelihood.

The challenge is clear. We look to a further expansion in exports, not in hundreds of millions but in billions, within the next two years to help accomplish balance in our payments. That is not unrealistic. During the first half of this year, our exports were 6½ percent higher than a year earlier. But it will take sustained and energetic effort. The Export Coordinator, Draper Daniels, acting within the Department of Commerce, setting goals industry by industry and region by region, is already depending heavily on the new National Export Council, which has 33 regional councils and the participation of 10,000 individual businessmen.

Many of you no doubt are aware of these activities in your own area. You are crucially situated in your own communities to provide the leadership necessary to make this program a success. I realize that you cannot all become experts in the special problems of foreign trade. But you do know the problems of the local businessman and you can help him find the assistance he needs. Within the banking community itself there are vast resources of knowledge and talent, and it is a challenge to our correspondent banking system to tap these resources effectively and make them available to every American producer capable of reaching profitable outlets in foreign markets.

There is one particular area where your services and knowledge are absolutely essential: the financing of exports. Financing for export, as you well know, presents special problems, some technical and some attributable to the additional element of risk. The Export-Import Bank has long had programs for participating with banks in credits of this kind. The Export-Import Bank's commercial bank guarantee program, geared to the special political and exchange risks, has been streamlined and simplified to increase its usefulness, as many of you know. If any of you still find problems, the Bank's Chairman and President, Harold Linder, wants to know about them. In addition, the resources of private enterprise are now being utilized more effectively through the facilities of the Foreign Credit Insurance Association, a cooperative effort of the Export-Import Bank and 72 insurance companies. The FCIA, operating successfully since February in the insurance of short-term credit, has now extended its activities into the medium-term field, and we expect that it will have actually issued policies to over one thousand exporters covering potential exports of one-half billion dollars before the end of the year.

This combination of Government support with private enterprise can now provide exporters in this country with credit facilities that are the equal of any industrialized country. I urge you to familiarize yourself with this program more closely by reading a little booklet published just last week by the Export-Import Bank entitled *From One Bank to Another*. I understand that copies are available from the ABA office, here and in New York and Washington.

But our balance-of-payments problems include even more than the need to expand exports, both of goods and of services, and to curb the outflow of dollars through Government programs, for they also involve the flows of capital. This country rejects direct controls on the flow of capital, not only because they would be inconsistent with our traditional and fundamental objectives of freeing trade and payments between countries, but for immediate dollars-and-cents reasons, they would cost us more than they could possibly save. Our own money and capital markets are the most highly organized, most efficiently diversified, of any in the world. To try to impose controls over outward capital movements in any one sector of these markets, say bank loans, would only invite capital flight through many others. And to try instead a comprehensive approach—clamping the cold hand of capital issues controls, or credit rationing, over the entire sweep of the markets—would literally congeal the bloodstream of American capitalism.

No, so far as the outflows of capital are concerned, there is no effective answer outside the forces of the markets themselves. That is why, so far as volatile short-term money flows are concerned, we have combined the influence of debt management and monetary policy for more than two years to exert some upward force on short-term money rates. At the same time, we have minimized the pressures of governmental operations in the longer-term market so that constructive investment at home would be encouraged. These measures have been important in stemming outflows into money market instruments abroad and, at the same time, continuing a ready availability of funds for any form of productive new domestic investment, not only during the recession which ended last year but also throughout the expansion phase we have enjoyed since that time.

To those who favor some administrative check on outflows of capital, or those who want some arbitrary forcing up of interest rates on bank loans and capital issues to thwart flows aboard, the answer must be essentially the same—neither the public nor the private sectors can be expected to take action which might handicap the functioning of a competitive market economy—a capitalist economy. But there are many answers that can be sought short of that prescription. None will cut through the problems with a single, decisive thrust; each will seem minor in itself, but will gain decisive strength by being an incremental part of a comprehensive total effort.

We know, for example, that Europe will not be able overnight to transform its own capital markets in order to carry a larger part of the world's capital requirements. But there are many kinds of steps that can be taken, not only by the Europeans but by Americans as well, that will help somewhat in lessening the pressure for outflows of capital from the American markets while also contributing toward the evolution of needed new facilities in Europe. This kind of approach is symbolized by the work that the Export-Import Bank has been doing for example, in placing some of its own paper with European investors. The investment banking community in New York is making a comparable contribution, not only in its own long-run competitive interests but also with short-run benefit to the American balance of payments, by making increasingly vigorous efforts to attract European funds. Those efforts extend also to the broader listing of American securities on European exchanges. They have resulted in sales of a significant proportion of recent security issues in New York to foreign investing institutions, both directly and in secondary distribution. Pressures have consequently begun to mount within those countries which still maintain tight controls, as individuals seek the freedom to invest abroad and cite, in support of their desires, the currently strong balance-of-payments positions of their particular countries.

And there are ways in which American business and banking can also help in the financing of commercial requirements. Ingenuity in searching out sources of funds abroad for American businesses operating there, as well as imaginative extension of participation arrangements to more foreign lenders in the credits granted by American banks at home and abroad, can pay off in broadened contacts and a wider range of services for any customers engaged in foreign operations.

For the present, in the area of governmental capital flows, we have been successful in developing a large reverse flow to the United States in the form of prepayments of long-term debt owed the U.S. Government by the surplus countries of Western Europe. Prepayments this year by France, Italy, and Sweden have already amounted to $550 million. We know that such prepayments do not "solve" our balance-of-payments needs, but they do reduce the outstanding supply of dollars abroad that our foreign deficit would have otherwise produced. They temporarily reduce strains while the slower, but more lasting, forces of market adjustment are bringing our trade and payments position back into equilibrium.

Cooperative efforts between nations have been the basis for most of our progress over the past 18 months toward developing and strengthening our international financial system. The backbone of that system, as it has evolved out of experience since World War II, rests on the widespread use of the dollar as a supplement to gold in the international reserves of other nations and as a medium of international payments.

This convertible gold-dollar system, bulwarked by the resources of the International Monetary Fund (IMF), has served the world well. It has provided ample liquidity to support more than a doubling of world trade since 1950, a trend which is continuing with an increase of 6 percent in the first half of this year compared to the like period of 1961. It has permitted the industrialized countries to dismantle part of their exchange controls, to lessen their restrictions on capital movements (and in a few cases to remove them), and to restore the convertibility of their currencies for all ordinary payments. And it has, at the same time, allowed individual nations to work out their own economic destinies, free to develop along the lines of their own capacities and choices, but within a framework of ever-growing cooperation among nations to work out and achieve common objectives.

These are no small accomplishments. Yet progress has brought with it new problems. In meeting them, again in the spirit of neglecting nothing, of trying to cope with all the pieces of the problem, large or small, we have worked out in cooperation with the other leading countries a new system of defenses for the dollar. Little if any of this could have been done if the United States was not

clearly determined to bring its balance of payments back into fundamental equilibrium, and to do this in a way that would be adapted to the progress already achieved in liberalizing trade as well as to the longer-run needs for convertibility, liquidity, and growth in the future. All that has been done has rested on the clear understanding—among all of the participating countries—that financial arrangements, essential as they are for the support of trade, cannot take the place of real correction in our underlying balance-of-payments position.

Convertibility brought with it a freer flow of short-term funds among nations. While this was a highly desirable addition to international liquidity, it also involved an increased risk of sudden and disruptive flows of short-term capital between nations. Funds were now free to move, at least on short-term, among all the leading countries, not only in response to differences in money market rates of interest but also in reflection of changing fears or hopes concerning the weakness or strength of each country's economic position. The balance-of-payments disciplines, always present, were even more clearly visible. The need was to develop new arrangements which, while never concealing the persisting force of those disciplines, would limit the scope for speculative aberrations which could so easily develop in the new environment.

This is why the United States, working step by step with the leading foreign nations, has taken the initiative over the past year and a half to build an enlarged set of defenses for the international monetary system, building on experience and existing institutions and supplementing and reinforcing the protection already implicit in the world's existing monetary reserves and in the International Monetary Fund.

The new initiatives have taken the form of a new set of arrangements under which the United States, for the first time in a generation, is dealing directly in the foreign exchange markets, in a great enlargement of the resources available through the IMF, and in the application of cooperative arrangements to the London gold market. Taken together, an entirely new dimension has been added to our international financial system.

One innovation is that the United States is now holding foreign exchange as part of its own reserves. These foreign currencies can be acquired when one or another of the leading industrial countries has a deficit with the United States. In turn, such holdings, once acquired, can be used, with the understanding of the other countries involved, to buy up dollars flowing into the hands of foreign official institutions, thus becoming an alternative to drawing on our own gold stock, if and when our dollar outflow might exceed the amounts that one or another of these foreign central banks and governments might wish to hold voluntarily. In a similar way, temporary disturbances in the exchange markets can be checked before setting off a massive speculative run as we alternatively acquire and then release holdings of the other major currencies. Moreover, our holdings of foreign currencies (or arrangements permitting us to borrow them on a limited standby basis) can support much larger sales of forward exchange. By participating in the forward markets to assure larger availabilities of "turn-around" facilities, we make it feasible, for example, for private parties abroad, who may wish to hold dollars passing into their hands for temporary periods, to go on holding them while assured of the availability of enough of their own currency to meet expected needs at some later date.

With our own balance of payments in deficit, we have acquired foreign currencies to support these activities largely by means of so-called swap agreements arranged by the Federal Reserve with our principal trading partners. These agreements provide for a reciprocal exchange of currencies, usable by either party when needed to meet temporary shifts in the international flow of funds. In addition, we have on occasion acquired currencies from certain countries, so far in modest amounts, by outright purchase, by direct Treasury borrowing, or by accepting repayment of debts owed the U.S. Government in usable foreign currencies rather than dollars.

Thus far, the operations have been mainly in the nature of pilot projects, testing and probing the mechanical possibilities and their possible usefulness. But experience has, I believe, already demonstrated their value in meeting specific situations, involving marks, Swiss francs, lire, guilders, and Belgian francs. One encouraging characteristic of the operations already undertaken has been the early reversibility of many of them. This point clearly emerges from the recent full report on Treasury-Federal Reserve operations prepared by Charles A.

Coombs of the New York Federal Bank.[1] The release of this report reflects our policy of making available to the public from time to time as much of the detail of our operations as we possibly can.

I should stress again, too, that it is no part of our intention to disguise the basic forces of supply and demand, or the various market evidences of changing needs and conditions in the international financial position of the United States or any other country. We want and need the sensitive signals of changes in fundamental forces that are reflected in price fluctuations in free markets. And as one of my foreign friends remarked to someone from another country, perhaps with a slight ulterior motive, the United States publishes and discloses its record so freely and frequently that it could not, even if it were to try, hide the facts of its balance-of-payments position from the intelligent observer.

Useful as these operations in the exchange markets have been, it is not their past or current size that is so significant, although the United States does have today approximately $900 million of foreign currencies at its disposal, either in the form of cash or standby facilities. Rather, the significance lies in the pattern set for meeting future contingencies—the technical feasibility of the arrangements, their expansibility in time of agreed need, and the ability to pinpoint the use of our resources at the point and time of need.

All of these new arrangements are, of course, reinforced by the enlarged capacity of the International Monetary Fund to provide assistance in time of need. As a result of the increase in subscriptions voted in 1958, the United States alone has a Fund quota of over $4 billion. These facilities are being further supplemented by the new $6 billion standby credit pool agreed to by ten of the industrialized countries last December, a pool in which the United States share of $2 billion is now awaiting final approval by the Congress.

Taken together, these new arrangements—emerging from a mutual understanding of common problems and needs among the industrialized countries—powerfully enlarge the defensive capabilities of our convertible gold-dollar system to withstand strains or shocks from any source. A little of their defensive potential can be glimpsed in the assistance that emerged so promptly and effectively at the time of the recent Canadian difficulties, and during the spring of 1961, when sterling was under heavy pressure. But it is clear that the emerging system is capable of much more, including both defending the dollar itself from any conceivable attack as well as contributing to the needs of the world for adequate international liquidity over the years ahead.

The U.S. decision to hold foreign currencies as part of its reserves—taken in conjunction with the wide range of cooperative facilities being worked out with other leading countries—can make a major contribution toward enlarging the usable means of international payments. But we have only made the beginning. The skills, energies, and judgment of many men, in many countries, will be needed to fashion the changing shape of these and possibly other new measures as experience provides the needed tests.

The renewed and healthy confidence in the stability of our international monetary system so evident at the sessions of the world central bankers and finance ministers at the Fund meeting last week nonetheless reflects already an increased appreciation of the arrangements now in place, arrangements that have necessarily been revealed only in bits and pieces as they have emerged over the past 18 months. It is worthwhile repeating the closing sentence in the appraisal contained in a communique issued last Wednesday (September 19) by the members of the ten countries in the Fund's special resources group:

"The additional resources thus provided, together with present national reserves and the existing resources of the IMF, are large enough to provide the support that might be needed to assure the stability of the existing exchange rate system as based on present gold parities."

But I cite that only to introduce the more important conclusion: We must not claim too much. The emerging system presupposes, as any workable arrangement must, that the United States and other leading nations will pursue their expanding growth objectives and do so by methods that will also assure an equilibrium in their basic trade and investment accounts. That is why I have emphasized the priority of the measures for meeting our own balance-of-payments problem here today. And that is why it is so important—as the President stressed last week—that other countries now capable of doing so assume a fuller share of the burdens of defense and aid.

[1] See 1962 annual report, pp. 469–480.

In attacking those real and difficult tasks, we should not be diverted either by false fears for the stability of our monetary system or by vain hopes that mere monetary reform can substitute for more basic measures. To sink back into complacency would be to undermine all our very real achievements to date. But we must also appreciate the progress that has been made, so that we can identify the real challenges of the future and turn our energies toward meeting them. In that process, the bankers of the Nation can play a vital and constructive role.

EXHIBIT 28.—Statement by Under Secretary of the Treasury for Monetary Affairs Roosa, December 13, 1962, submitted to the Subcommittee on International Exchange and Payments of the Joint Economic Committee of Congress on the balance of payments

The Subcommittee on International Exchange and Payments is making an impressive contribution to the analysis of this country's international economic problems. My colleagues and I in the Treasury Department appreciate this opportunity to review with the subcommittee some of the challenging issues that have been given new emphasis and focus in several studies recently published by the subcommittee and in the Chairman's statements concerning them. We look forward to continuing examination of many of these problems, both through public hearings and through our working collaboration with the subcommittee, for many months, and on some of them for many years, ahead. Today, in anticipation of future opportunities for meeting personally with the subcommittee, I will only try in this prepared statement to comment on some aspects of four of the principal questions that have been raised—emphasizing particularly aspects that have thus far received relatively less attention than some others:

(1) Has recent financial policy for meeting our balance-of-payments problem caused domestic economic stagnation and high interest rates?

(2) Would flexible exchange rates be preferable to the present system of fixed exchange rates?

(3) Should the United States, because of the high costs involved, abandon its role as a banker for the world?

(4) Would a substantial increase in "international liquidity" free programs of domestic expansion from the constraints of the balance of payments?

Since all of these questions are interrelated, it should not be surprising that my own one-word answer to each is the same: no. But in making that clear from the beginning, I do not deny that there is great value in a searching discussion of these issues. They test the underpinnings of our current financial program at home and of the present financial structure of the Western World. It would be unseemly, at the least, for those of us who have been trying to carry through some mildly revolutionary financial changes on both fronts—that is, both domestically and internationally—to imply that experience and criticism should not have much more to teach.

I

In highlighting the first question, the subcommittee is constructively calling attention to a charge that has frequently been made—that the effort to close the gap in our balance of payments is at the same time choking growth at home. But I am frankly puzzled as to what basis there can be for making that charge, so far as the financial policy of the United States over the past two years is concerned. For never in modern history has an industrialized country with a balance-of-payments deficit of such size and persistence been able to keep domestic credit so freely available and interest rates so low. The general level of interest rates for business credit, consumer credit, or housing credit, for example, is now, and has been since the latter part of 1960, below, and in most cases far below, the rates for similar kinds of credit in any other advanced capitalist country regardless of the state of its balance of payments—with the partial exception of Switzerland and the Netherlands. Moreover, long-term rates have not appreciably risen, and in fact have declined in most important sectors, since the recession months of 1960–61.

That has not always been the pattern. There have been times in this and other countries when the charge has had some validity, and concern that such experience might be repeated is quite understandable—I share that concern,

But the United States has now set an entirely new pattern, a pattern which began to emerge in part as a result of Federal Reserve action in mid-1960, action that has since been expanded, and has been complemented by Treasury action and supported by an increasing volume of saving. It is a pattern that is well, if incompletely, illustrated by the attached set of charts contrasting the behavior of free reserves in the banking system, and of various interest rates, over the past two years with their behavior during the preceding recession and recovery period. Clearly, bank reserves have been kept easy, and interest rates for the major types of credit have remained low, in contrast with previous cyclical behavior.

Quite a different charge can indeed be made against this new, daring and admittedly experimental financial policy of the United States: That it has neglected the balance of payments in order to assure the abundant availability of credit to domestic borrowers. Some of my colleagues are meeting, and I am sure effectively answering, that argument on this day in a conference being held abroad with some of the most alert and best informed financial officials of the leading countries of the Western World. They are no less sensitive than we to the need, the worldwide need, for a more rapid expansion of the American economy. No one is satisfied with the rate at which our productive activity is absorbing our growing labor force and our large numbers of unemployed. But the further question these critics ask is how we could possibly expect to accomplish anything more toward this objective through a continued easing of monetary policy—through adding more redundant credit to a supply of savings, that is already beckoning in vain for more domestic borrowers, or through further lowering of interest rates that have not themselves been an impediment to the use of funds.

Is not the lesson of our recent experience, in trying to give greater stimulation to the economy, that a combination of monetary policy and debt management to produce easy money is not enough? That we have not (so far as any practicable role of Government is concerned) found the proper "mix" for current conditions between these influences and fiscal policy—the policy controlling the Federal Government's expenditures and that determining the structure and burden of Federal taxation? In any changing of this mix, to be sure, the possible impact on the balance of payments will have to be considered. It must be in every country. But I have yet to see any actual evidence that the methods thus far used to help eliminate the deficit in our balance of payments have impeded domestic economic expansion. On the contrary, it seems to me remarkable that financial measures should have been able to help so much in cutting the balance-of-payments deficit substantially over these past two years, despite a sizable rise in imports, while additional credit has everywhere been readily available to contribute directly and importantly toward the 10-percent rise in gross national product that has in fact occurred.

II

In directing attention to proposals for flexible exchange rates, the subcommittee is again making a constructive contribution by bringing forward for reexamination a proposal which has probably through the years fascinated more professors and frustrated more practitioners than any other tool in the kit of international financial machinery. I suspect that every university seminar on international finance in the country has at least one member who views fluctuating rates as the clean-cut answer to every nation's external economic needs: if expansion at home brings in more imports than can be paid for, or produces an inflation that prices one's exports out of foreign markets, or creates unsettling fears for investors who then shift their capital to other countries—let the exchange rate go, let it freely find an equilibrium level at which outpayments and inpayments come into balance. What is more, concern over the adequacy of international monetary reserves can disappear, for with the exchange rate against all other currencies free to move downward whenever outpayments begin to rise, drawing on one's own international reserves would be brought to an end before they had scarcely begun. There would seem to be little need then for immobilizing any very sizable bloc of assets in foreign exchange reserves or in gold.

Unhappily, like all fine, straightforward, across-the-board answers to the crooked and devious problems of the modern world, this one has a catch in it. Perhaps I should say instead—if I might presume to speak for the operating men in foreign trade and finance around the world who have at times tried to contemplate the prospect of conducting trade when every currency could move any

distance up or down, against all others, both in the spot and forward markets—the better analogy would be a barrel of fishhooks. Individual countries, in distress or unusual circumstances, may be able through resort to a freely fluctuating rate to conserve their reserves and bring their inpayments and outpayments closer together, but I doubt whether a country can continue to do that unless other countries, and particularly the major industrial countries, maintain fixed rates among themselves. And even these individual countries have often found in time that the real price was paid in a constricting of external trade, or an unsustainable imbalance between trade and capital movements. That in my judgment was the lesson of Canada, the most conspicuous of these individual exceptions that prove the rule (although even there the fluctuating rate—which was finally abandoned last May in favor of a fixed rate—was never wholly free).

As with so many of the issues brought out by the subcommittee's inquiries, the answers to this one are to be found, much more carefully and ably expressed than I could attempt, in other materials also prepared at the committee's request and included in its recent publications. Professor Houthakker, for example, at pages 292–3, summarizes the case admirably, though I hasten to add that I do not concur in the recommendation he goes on to make for a change in the fixed level of the dollar price of gold.

III

The question on abandoning our role as world banker suggests the Wordsworthian nostalgia of an adult wishing he could be a child again. The answer, now that we have grown into our banking role, however, is not likely to be found through renunciation; nor should we wish to find it in senile decline; but there is much that can be done through a sharing of our responsibilities with others who are growing up to a stature capable of bearing some of them. That is what happened as the dollar moved up alongside sterling during the interwar period.

It should be remembered that we would not now be encountering any real difficulties, in our role as commercial banker for a large part of the world's payments needs, if it were not for the other byproducts of our leading position among the Western Nations—the military expenditures we undertake which inescapably release some additional dollars into the stream of world payments; and the economic aid we distribute which in part unavoidably makes new dollars available to the recipient countries (or frees their own dollar holdings) for spending in other countries.

The blunt fact is, moreover, that these claims on our balance of payments will continue, and will forcibly inject balance-of-payments considerations into the formulation of an appropriate policy mix for the domestic economy, even if we could by some sleight of hand dissolve the arrangements through which the United States performs its commercial banking role—that of holding and servicing a major part of the international working balances and the international monetary reserves of other countries. This is not to say that there are not also costs and risks arising from our banking operations; but it is to urge that these be kept in perspective. And it is a part of that perspective also to recognize the very substantial contribution that is actually made toward strengthening our balance-of-payments position over the years by the substantial earnings this country receives from its banking function of "borrowing short and investing long"—earnings that greatly exceed the interest we pay on the foreign holdings of dollars.

Apart from the earnings attributable to the investment aspect of our banking role, which have fundamental importance for our long-run balance-of-payments position, there are in addition the shorter run advantages which we enjoy as banker in being able readily to obtain the credit that finances our net outpayments—credit which we obtain for much longer periods and in much larger amounts than any other leading country (except for the United Kingdom, the other leading banker) could depend upon. The credit standing of a banking center is such that it can, in effect, borrow to meet its needs in almost an imperceptible fashion, without the necessity of arranging and negotiating loans as other borrowers must do. The trouble only comes, and people are only likely to begin to raise questions about undesirable aspects of the banking role, when this facility for borrowing from others is overused.

That, of course, is what has happened to the United States. After we had run deficits in every year but one for almost a decade, the aggregate of dollars (i.e., in effect the short-term notes on which we have been borrowing) that was building up in the working balances of other countries and in the monetary reserves of

their central banks began, in the light of the accelerated rate of our deficit, to exceed the limits, both of their prevailing needs and of their tolerance for accumulating additional balances to meet possible future needs.

The point to remember is that the need which eventually became convincingly clear to close the deficit in this country's international accounts was no different from the need we otherwise would have had to face earlier, and with even greater urgency, if our banking role had not given us considerable flexibility in the timing and the methods ultimately chosen for effecting a balance.

Thus what may now appear to be annoying risks or burdens are in many respects no different from the balance-of-payments disciplines that other countries must face much more consciously year in and year out. Even now, because of the readiness of other countries to cooperate with us as their banker, and because they have confidence that we will not abuse our role by failing to balance our own international accounts, it has been possible during the past two years to introduce a new dimension in our banking arrangements, through which our own performance can be improved and the monetary system of the world strengthened. The four essential elements of this broadened gold-dollar system have all now been identified through specific action:

(1) forward transactions in other convertible currencies against dollars;
(2) swaps of dollars for other currencies on an activated or a standby basis;
(3) outright acquisitions of foreign currencies (without provision for gold or currency value guarantee) to be held alongside gold as part of the monetary reserves of the United States; and
(4) the contracting by the United States of indebtedness denominated in foreign currencies, for various maturities.

All of the experimental arrangements which have tested these facilities, and provided evidence of their potential, have emerged from the lessons of operating experience. They have not in any sense been imposed on other countries; they are mutual agreements. They have to a considerable extent reflected the suggestions and initiative of one or another of those countries who represent our larger customers in the banking business we perform. These four kinds of facilities do not promise complete insulation against banking risks in the future; they do not themselves necessarily provide assurance that all manner of future requirements for international liquidity can be met in these ways; they certainly do not provide an escape from that basic need to balance inpayments and outpayments which every country must face; but they do provide clear evidence that cooperative effort among the banking agencies of the leading countries can provide facilities that do fulfill the world's present needs for reliable international monetary arrangements.

It is that same kind of cooperation—involving a gradual sharing among others of some of the responsibilities that the United States has carried so long and so largely—that will provide the fundamental answer over time to our balance-of-payments problem. If the United States were able to accomplish the same degree of shared responsibility for the joint military obligations of the Western Alliance that has already been volunteered on the financial front, most of our balance-of-payments pressures would disappear. If the United States were able to achieve as well comparable results in the shares contributed toward economic aid; if other surplus countries were prepared to reach out beyond any arithmetic calculation of equality and assume the kind of disproportionate share that the United States carried for so long, then no real balance-of-payments problem would remain for the United States.

Thus, not in the interest of absolving our banking role from any further obligations, but only of attaining the perspective already suggested, it would seem clear that the zones for major effort are those which this subcommittee began to explore again yesterday afternoon, alongside the fundamental need for expansion of our exports, which has been of continuing concern to the subcommittee. The significance of any possible further monetary arrangements would be, in comparative terms, quite incidental. If the basic problems are neglected, and our banking role treated as a scapegoat instead, the effect would be, at the least, a prolongation of our balance-of-payments problem, as well as the probable disruption of existing arrangements which are already working so effectively that we take them largely for granted—arrangements which, however, once disrupted, could quickly grind the world level of trade and prosperity to lower and unsatisfactory levels.

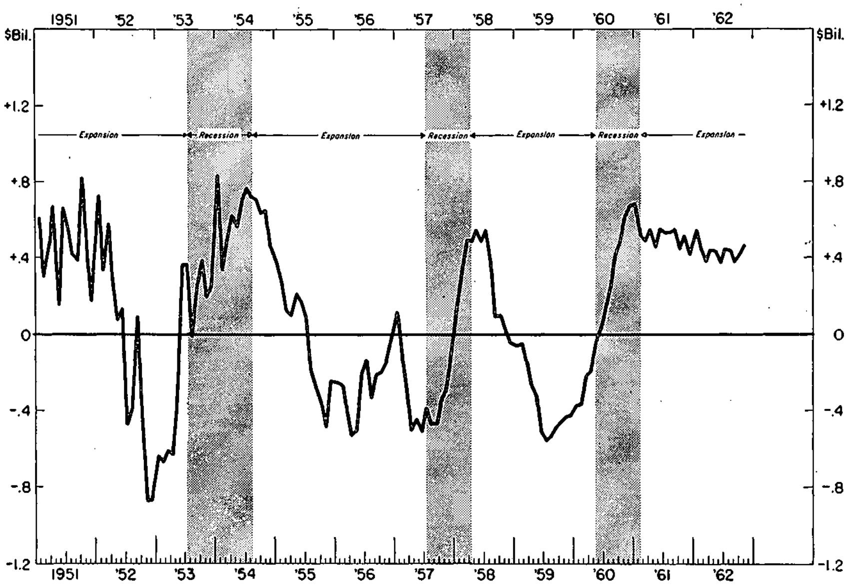
IV

A caution of the same kind is appropriate, it seems to me, in turning to the fourth question, that asking whether a substantial increase in international liquidity would not free programs of domestic expansion from balance-of-payments considerations. Substantial achievements in augmenting international liquidity have already occurred, of course, and have been very useful. But in this desire for decisive further increases, there is a similarity with the yearning that has always been expressed by those who feel that more money, and the facilities for creating it, would assure expansion and prosperity within a particular country.

To be sure, much has been learned as a result of those yearnings and there is no denying that modern monetary systems, with their provision of flexibility through fractional reserve commercial banking, have been necessary for the evolution of modern economic society. But that development has rested upon the link between money and credit. There is no way in which money, whether as the circulating medium of a given country or as the acceptable medium for holding international reserves, can be created, or can retain its acceptability, without a counterpart in the granting and accepting of credit. Even the use of an international institution to provide liquidity does not circumvent the fact that credit must be provided by one country or a group of countries to others that are in deficit.

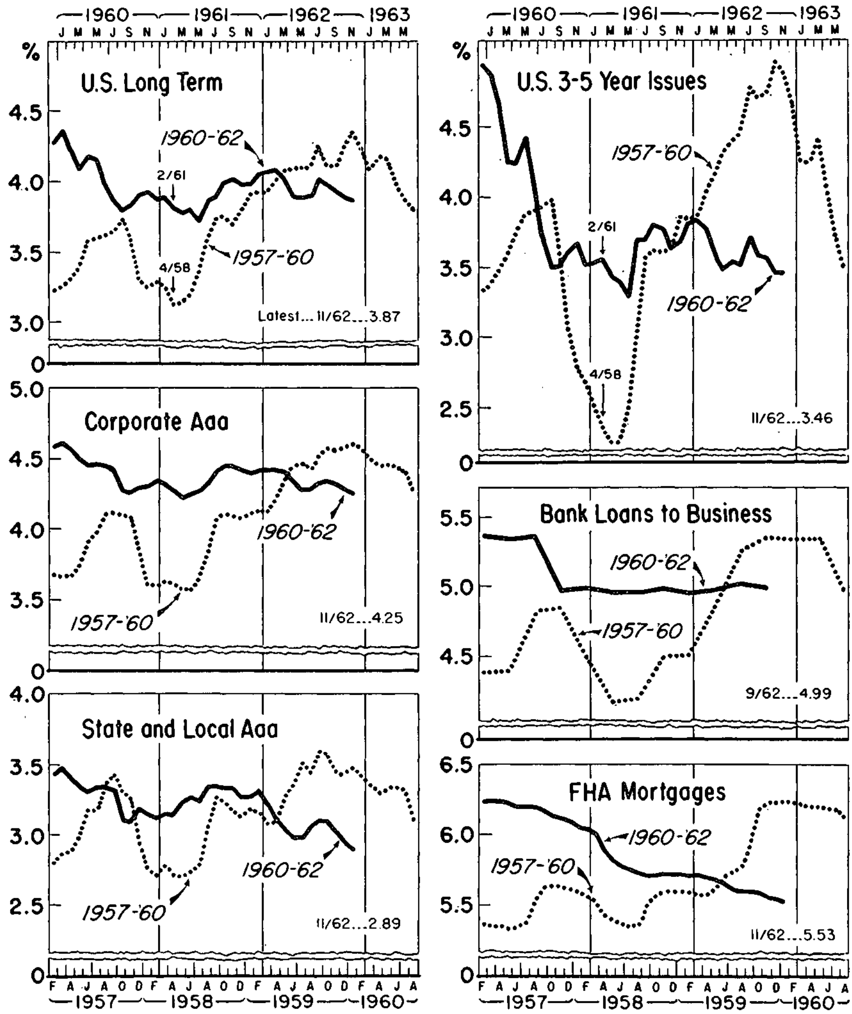
It is important to have this in mind in considering any suggestions for resolving or moderating the balance-of-payments problems of any given country through reliance upon an enlarged supply of "international liquidity" or international credit. Unless surplus countries are willing and able to extend credit, on terms and through media which are acceptable to deficit countries, there will not in fact be additional international credit, whatever the formal arrangements may seem to be. This is a most important practical consideration, against which all proposals for added international liquidity will have to be tested, over time. It is relatively easy to draw up a plan for a systematic monetary network of conduits, pools, and valves for the storage and release of international credit. It is a very different task to induce creditors and debtors to put into that network the credit itself—without which the whole mechanism remains on the drawing-board, or if it exists, has little practical significance.

FREE RESERVES OF MEMBER BANKS



Note: Periods of recession and expansion as determined by the National Bureau of Economic Research.

SELECTED INTEREST RATES IN 2 BUSINESS CYCLES
(Plotted to align the recession low points of April 1958 and February 1961)



For in the world of today, I feel reasonably sure, no country will undertake in advance an automatic liability for the extension of large amounts of credit. Arrangements may be established and tested that will permit the ready activation of additional credit, provided the creditor country is willing and able in the given circumstances to lend, and arrangements of that kind are of great significance. But so long as the condition of creditor agreement is required, there cannot in fact be any way of assuring to debtors an automatic credit of indeterminate amount or indeterminate duration. And I am very much afraid that it is an underlying if not always expressed desire, on the part of those who urge heroic new proposals for international liquidity as the means of liberating domestic economic programs from external considerations, that they do indeed visualize the new liquidity as a kind of automatic access to credits, always also assuming that the credits themselves will be automatically available.

There is much more, to be sure, that should be said on this vast and intriguing subject. But as I said at the outset, my aim in this brief statement has been only to mention a few fragments of the argument that may be worth some consideration, as these four questions—and they are themselves only four among many—are being appraised in the further work of the subcommittee. I have attempted only to suggest fragments of the kind that I thought had not yet been treated, at least in this way, in the materials already before your subcommittee. I look forward to further opportunities to participate in the work of the subcommittee as it progresses with its comprehensive review of all the relevant questions that must be answered if the United States is to achieve the balance-of-payments equilibrium that must be reached, through methods that will contribute to the more rapid growth of our own economy and of world trade.

EXHIBIT 29.—Article by Under Secretary of the Treasury for Monetary Affairs Roosa on Assuring the Free World's Liquidity, Business Review Supplement, Federal Reserve Bank of Philadelphia, September 1962

In the present international financial climate, three familiar proposals are being widely discussed again on the grounds that they can assure the international liquidity that is necessary to absorb the shocks of any spreading disturbances:

—Devaluation of the dollar by doubling or trebling the dollar price of gold.

—"Guaranteeing" the dollar's present price so that other countries can readily go on accumulating more dollars to provide their needed increases in liquidity.

—Immediate launching of plans for pooling all the international reserves of the Western World's monetary systems in a new supranational bank, usually visualized as one empowered to create additional supplies of a new international reserve currency that all subscribing countries would bind themselves to accept.

The latest expressions of support for these revolutionary approaches come at a time, perhaps surprisingly, when the United States, in cooperation with most of the other free industrial countries, is completing the groundwork for the most comprehensive restructuring of international liquidity arrangements since the founding of the International Monetary Fund at the end of World War II.

The paradox is understandable, for while the nature of practical monetary operations demands that they be established with the knowledge and the confidence of responsible financial officials in other countries, it is equally necessary that progress of this kind must initially evolve within a framework of confidential discussions and limited, step-by-step operations. There are grave risks of setting off disruptive speculation if there should be haphazard or uncoordinated release of information on any negotiations in process, or if new steps should be initiated or announced without preparation for cooperation by other affected countries.

That is why—although Treasury and Federal Reserve officials have been negotiating and designing and installing parts of the new structure for the past year and a half—it has not been possible in public discussion to make more than a few hinting references to the overall pattern as a whole. That is why some alert critics have, quite understandably, charged that those bits and pieces of the new machinery which were actually installed and publicly announced seemed to be only a patchwork improvisation of minor devices. And that is also why, during the recent unsettlement over economic conditions here—coming before the United States had achieved the fundamental correction of its balance-of-payments position upon which the real strength of the dollar in the world depends—responsible observers have turned to the better-known, widely discussed proposals of earlier periods of unrest, instead of joining in an appraisal of the potentialities of the new design.

Fortunately, enough has now been accomplished to be able to put together a sketch, if not a blueprint, of the structure as a whole. Each of the pieces already in place has been reviewed and approved by President Kennedy; those which involved interpretations of existing legislative authority have been discussed in advance with the chairmen of the respective congressional committees; some have required legislation, which has either been obtained or is now before the Congress. Other steps are ahead, but they will need to be shaped by critical public discussion, just as all of the measures already taken will be adapted on the basis of the experience now being gained.

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Even the steps already taken would seem, however, to remove most of the premises on which cases have been built in the past for devaluation, or guarantees, or a heroic new supranational organization. Appraisals in the future will have to take into account all of the new developments, as well as the vast array of new dangers that any one of these three other approaches would create. But before turning to the sketch of what is new—a sketch that can be filled out more fully before the end of this year as other still-confidential efforts mature—it should be helpful to restate briefly the problems implied by the wide-ranging consideration of international liquidity and to take a look at the way devaluation, or guarantees, or a superbank might be expected to cope with such problems.

I

International liquidity is needed to service the regular flow of payments among countries, to finance the shortfall when any particular country's out-payments temporarily exceed its in-payments, and to meet large withdrawals caused by outflows of capital. The responsible financial officials of virtually all countries are agreed that aggregate monetary reserves on hand or mobilizable in the world today are adequate for regular payments and for temporary swings in needs. The three debatable questions are: (1) whether particular countries, notably the less developed, have access to enough reserves for their regular needs, that is, whether the distribution of existing reserves should be improved; (2) whether the emergency sources of liquidity, particularly in the event of runs on any of the larger countries, are adequate; and (3) whether existing facilities assure an adequate growth of total reserves for the future needs of an expanding world economy.

Devaluation, guarantees, and a superbank are all proposed to answer, in one way or another, these three questions. Yet each would, in providing its answers, gravely alter important parts of the monetary system on which the world depends, and which everyone takes for granted today. The new convertible gold-dollar arrangements, however, build upon existing currencies and payments facilities; recognize the limitations upon monetary devices as solutions for fundamental economic problems (including those underlying the recent U.S. balance-of-payments deficits); and avoid the hazards of despair and economic disruption so likely to result from the displacement of the dollar as the universally recognized supplement and alternative to gold in meeting the international liquidity reserve needs of the world.

II

Raising the price of gold by devaluing the dollar would certainly be followed by similar action on the part of other countries. An increase in the gold price would thus not help the U.S. balance of payments. It would, however, mean writing up the gold reserves now held by any country, presumably providing a "profit" which would permit all countries, large and small, to start afresh with a feeling that, by the stroke of a pen (or a legislative act), they had become richer. Any present maldistribution would presumably seem less constricting with everyone suddenly better off; the greatest gainers might feel better able to lend reserves to those still in some need; total reserves would be so much greater that concern over future liquidity requirements would disappear; and the larger totals would provide fresh supplies of liquidity to meet any capital flight likely to occur, or so the argument goes.

But, in fact, devaluation of the dollar would, for practical purposes in the future, virtually destroy as much reserve liquidity as it might seem to create. For every holder of dollars before devaluation would have been tricked into heavy losses; losses as large as the gains would seem to be to those who had held gold instead. The possibility that the dollar could again serve, in any meaningful volume, as a useable part of general monetary reserves would disappear. In effect, the dollar holdings of other countries would thereafter be consumed, and the large part of world liquidity now represented by dollars would be gone. The world would be left without a major currency, generally acceptable as a supplement to gold. That is why most serious consideration of international monetary reform has long since dismissed devaluation of the dollar as a practical possibility, and has turned instead toward "guarantees," or the founding of a superbank, or both.

III

The appeal of a dollar "guarantee" is that it presumably assures the world that devaluation will not occur. For the key provision of any generalized guarantee must be that all dollars held as monetary reserves would receive full compensation for all losses in the event of devaluation. The aim of such contractual assurances is, of course, to persuade the other countries of the world that they can readily go on accumulating more dollars without any risk of loss. If guarantees were in this way able to assure all needed increases in liquidity without any offsetting consequences, it would seem that they could fit in very well as simply another feature of the new structure being erected for the convertible gold-dollar system.

In that event, so the argument goes, any existing maldistribution of liquidity could be met through assistance from the United States, with no risk that the further shifting about of such reserves, following their use by the needy countries, would bring them into the hands of unwilling holders. With everyone made absolutely certain that dollars held in monetary reserves would be revalued in the event of changes in the U.S. gold price, quick negotiations might ensue for effecting a uniformity in the ratio between gold and dollars in the reserves of other countries. Presumably there might even be a major move to turn in gold and acquire additional dollars, on which interest might be earned. There would seem to be no problem then of assuring ample liquidity for the indefinite future; an increasing supply of dollars would always be acceptable to fulfill such needs. Moreover, there would never be reason to fear the effects of any sustained balance-of-payments deficit, or to be concerned if domestic developments in the United States caused investors to move large blocks of capital out to other countries, in any such circumstances, the United States could simply take it for granted that the additional supplies of dollars thus created would end up in the monetary reserves of other countries, who would be content to hold them because of the guarantee.

But this recital of the gains to be expected from the use of guarantees itself suggests that perhaps the prescription is too good to be true. Those who have become enthusiastic proponents of guarantees seem sometimes to forget that the strength of the signature on any guarantee depends upon sustained confidence in the credit-worthiness of the signer.

Moreover, the highest credit standing—and a currency capable of supplying the monetary reserves of the world should scarcely aim for less—is that of the debtor whose net worth is so great, and whose performance is so reassuring, that supporting guarantees would never be offered or required. What this means, translated into the position of the United States as supplier of reserves for the world, is that we cannot escape a fundamental interdependence between the strength of our economy, our balance of payments, and the dollar.

The case for guarantees rests upon a contradiction: in giving a guarantee, the United States would expect to release its domestic economic performance in some measure from the constraints imposed by the need for balance-of-payments equilibrium; in accepting a guarantee, other countries would expect the United States to maintain their confidence in its internal and external economic performance; otherwise, the guarantee would not be granted or renewed. Thus the United States would, in relying upon guarantees, incur an obligation initially or eventually to engage in recurrent negotiations with country after country. The end result would be either disciplines or constraints upon our own economic policy which, at the very best, could be no different from those already apparent, and which might at the worst, become a complicated straitjacket of additional obligations, or the guarantee would be found unacceptable and all its supposed advantages would be lost.

Many countries today object to our balance-of-payments deficit, on the grounds that we are financing an aid and military effort which they could not afford, or would not willingly undertake, by foisting on them dollar deposits which they have no need to hold. Why should they, simply because they are offered a contractual guarantee, become implicit partners in underwriting programs that they themselves would reject? On the contrary, how much more likely may it be that one country after another will interpose conditions on its readiness to accept a guarantee—conditions that will at the least interpose their judgments more specifically into the determination of our military, aid, or investment activities abroad, or perhaps be made dependent upon our adopting their own formulas for achieving the needed further shrinkage of our overall balance-of-payments deficit? And where would we find ourselves when the demands of one of our guaranteed creditors

conflicted with those of another? How close might our position then seem to be to that of the debtor approaching receivership, with tier upon tier of first, second, and third mortgage claimants to satisfy? Rather than negotiate the relative priorities of such contractual liens, the United States might be better advised (as Chairman Martin has recently intimated when asked about guarantees by the Joint Economic Committee) to give up altogether the obligations of maintaining a reserve currency for the rest of the free world.

There are many of the industrial countries, too, which fear any further substantial diversion of the resources of the International Monetary Fund into the financing of recurrent distress situations in many of the underdeveloped countries, distress situations which the affected countries customarily view in simple terms as a shortage of liquidity available to them. Can we expect these same critical industrial countries to accept more dollars, just because they carry a guarantee, if the dollars arise from continued or additional American effort to supplement the contributions being made by the International Monetary Fund toward these frequent "liquidity" requirements of the less-developed countries?

Some part of the current movement of capital from the United States toward Europe is apparently induced by interest rate differentials that are somewhat higher than normal relationships would otherwise bring about. Will the monetary authorities of other countries be content to go on acquiring more and more short-term dollar liabilities, as the byproduct of these capital movements, simply because their gold value is underwritten by a contractual guarantee? Or will they take advantage of the negotiations relating to the introduction of guarantees to lay down their own conditions with an impact at least as severe, perhaps considerably more so, than that now exerted?

Surely any responsible financial official in this country would expect to negotiate in exactly that manner, and to exact much more precise and limiting conditions, if we were being expected to rely on a guarantee of the gold value of any one other currency to provide a major part of our own international reserve needs. The financial officials of the other countries are neither more modest nor reluctant to exact conditions than we would be.

There is, in fact, no real escape, certainly not so long as we maintain a reserve currency for the world, from the kinds of limits upon our complete freedom of action which these various illustrations suggest. The one way to be assured of greater freedom is to achieve balance-of-payments equilibrium and, from time to time, a surplus in our own balance of payments. The effect of guarantees is, indeed, instead of creating greater freedom for us, to center all responsibility upon us. For those in the position of accepting guarantees are able to dictate their terms. If, instead, there can be a sharing, in some increasing degree, of the responsibilities now borne so largely by the dollar alone, the leeway remaining to use for independent action on our own initiative should broaden rather than shrink as expanding liquidity needs are met over the years ahead.

And in all of these reservations concerning the possible role of guarantees, there is another pervading theme which cannot be obscured. The United States abrogated a gold clause in contracts once; the action was supported by the Supreme Court and approved by joint resolution of Congress. What assurance can a mere guarantee provide again? Is not the real basis for any confidence to be found in the strength, performance, and credibility of the American economic and financial system, and only there?

IV

One great attraction of a supercentral bank, or "an International Federal Reserve System," is that it would clearly provide for a mutual sharing of responsibilities by all of the countries of the world. Whether created out of the existing International Monetary Fund, or established as a completely new institution, its role would be to pool the reserve balances held by all countries, or at any rate all countries of the free world. The deposits held in the superbank could be transferrable on its books, so that the resulting differences between inflows and outflows of any given country could be settled through a central clearing house. The dollar would no longer have any special role to perform as a reserve currency; that role would instead be shifted to some newly christened monetary unit of account, representing the deposit balances held at the superbank.

While gold might still hold some attraction, and could be used as an alternative means of settling differences of accounts among countries, there would presumably

be no essential role for gold in the system. Much of it might find its way into the vaults of the superbank itself, or gradually disappear in industrial uses.

On the assumption that the total supply of reserves available at the superbank could grow, and grow at a controlled rate that would preclude worldwide inflation and a reluctance to hold the reserve balances on deposit there, any long-run growth needs could be readily satisfied. The liquidity requirements of underdeveloped countries might be met through advances or loans extended to such countries by the superbank itself. And any serious pressures on a given country, because its balance of payments was in grave deficit on trade account, or because capital was leaving the country in heavy volume, could also be met through loans and overdrafts on the books of the superbank.

There are many variations and nuances and combinations of these several features which have been suggested in the writings of various proponents. But all such elaboration would represent a fruitless exercise if the basic premises on which the establishment of such a superbank rests should prove unsupportable. That, perhaps regrettably, is the inescapable conclusion dictated by the actual ways of the world—today and for any foreseeable future.

The money created by a superbank would be the most high-powered ever generated by a manmade institution, yet it would have no supporting supergovernment to make good on its debts or claims. Even with all the underlying resources of the richest nation on earth, the performance of the United States in providing additional reserves has been at times rather conspicuously called into question. And in our case, the world has the basic assurance that our performance will continue broadly to meet the tests of economic requirments because otherwise pressures can be exerted upon us through our own balance of payments. There will be no comparable assurance, and no comparable underlying strength in the new body. Instead reliance must be placed upon the conflicting interests represented in a multinational legislative body, to judge and resolve conflicting demands for larger or smaller increases in the supply of the new monetary unit, or for a greater or lesser shifting of its lending power toward one group of countries or another.

Even accomplishment of the first steps would be an heroic achievement. Simply to establish the superbank would require all countries of the world to give up their present reserves and accept instead the fiat issue of a superauthority existing without a superstate. But assuming that could be done, what would happen when differences of view begin to exercise conflicting pulls upon the central organization? So long as monetary systems within individual countries continue to be managed by men who think and act as bankers, one after another will begin to hedge his country's own position either by acquiring gold or by acquiring increasing holdings of one or more currencies of other countries in which he has confidence. And so long as trade continues among sovereign nations the opportunity to convert holdings of the superbank's monetary unit into holdings of one currency or another will be available.

Thus it would be inescapable, so long as major differences in economic policy arise among different countries, that those differences will prevent the systematic direction of the superbank on uniform and consistent lines. The outcome, if it is not utter chaos and impairment of normal payments transactions among nations, is likely instead to be a drifting back toward systems of reliance upon clusters of currencies, and dependence on the strength given to them by the economies which underlie them. The drift, if it is in that direction, will indeed be back toward a system of arrangements very similar to that now evolving as part of the structure of the new convertible gold-dollar system.

V

The claims for this evolving convertible gold-dollar system are necessarily modest. The experience gained as step-by-step innovations are being put in place is providing ample evidence that workable arrangements depend fundamentally upon confidence rather than upon binding compacts, and confidence in monetary affairs, as in political or business life, is not attained once-for-all in a single negotiation, or a single declaration or compact, but is gained through continuing performance. Moreover, it has become irrefutably clear, if there was ever any doubt, that major initiatives cannot succeed unless the leading countries are prepared to support them by working toward equilibrium in their balance-of-payments accounts, whenever internal disturbances, outside events, or ordinary economic developments create other pressures away from balance.

Nonetheless, it already seems reasonably certain that the new structure being erected around the established gold-dollar system can make possible important additions to the liquidity of underdeveloped countries; can provide ample resources for promptly meeting heavy drains or a run on the currency of any leading industrial country, including the United States; and can assure the flexibility and growth in total liquidity needed to serve the requirements of trade in an expanding world economy for some years ahead.

Further potentialities may come into view as and if the Common Market becomes a unified monetary system, and forward planning for that eventuality may soon introduce a new dimension into the consideration of arrangements for international liquidity. But at least until that greater fusion of the Common Market countries occurs, the essence of the monetary system of the free world will no doubt continue to be the fixed relationship between gold and the dollar, with the United States standing ready to buy or sell gold at its established price of $35 per ounce. The principal source of increases in liquidity will continue to be the annnal increments of gold to the monetary reserves of the world, supplemented from time to time by controlled increases in the dollars held by other countries as a part of their monetary reserves.

Standing astride the gold and dollar reserves of most countries of the world will be the International Monetary Fund, into which all member countries have contributed working balances of gold and their own currencies, in amounts related to their own quotas (or conditional "drawing rights") in the Fund. Surrounding the dollar is a constellation of special bilateral relationships between the dollar and the separate currencies of most of the other leading industrial countries. Surrounding the gold reserves is a set of relationships now largely worked out through the London gold market, but representing participation by the leading European central banks, known colloquially as the "Basle group" which now also includes the United States.

The innovations of the past year and a half have centered upon the resources and usability of the International Monetary Fund, upon the direct relations between the dollar and other leading currencies highlighted by our initiation of activity in the foreign exchange markets, and upon the special arrangements for influencing the flow of gold into the world's monetary reserves. Virtually all of the changes have represented, and resulted from, a growing readiness on the part of the other leading industrial countries to begin to consider, and cautiously to undertake, some sharing of the responsibilities formerlv carried so largely by the dollar.

Comprehending and reinforcing all of the new arrangements are the various activities of the OECD, and more particularly, its working party devoted to balance-of-payments and financial problems. Here, the opportunity for continuous interchange of information and criticism, among the leading industrial countries, provides the base of communications needed to carry forward operations that require mutual understanding of current developments and current policies. At the same time, it is conceivable that work can go forward through this and other organs of the OECD toward preparing the way for the next stage of practicable and foreseeable innovation in the area of international financial arrangements: The fusing of the United Kingdom into the Common Market; the evolution of a unified financial mechanism to serve the expanded Common Market; and the forging of appropriate operating and policy links between that organization, once it emerges, and our own financial institutions.

Meanwhile, it would be quixotic to hope, however, that the new arrangements will solve the liquidity needs of the underdeveloped countries; for in a full sense, nothing can. So long as these countries are energetically pursuing development programs, any international reserves not actually required as current working balances will be consumed in the purchase of more imports. Mere increases in reserves, therefore, will largely disappear. The need of these countries is for some greater assurance concerning the markets and prices of the raw materials they sell; for as much aid as can effectively be absorbed from whichever industrial countries are able to provide it; and for emergency facilities to provide needed foreign exchange to bridge unexpected seasonal or cyclical reverses. None of these needs can be met simply through broad global action; all are the object of energetic further effort by the United States and various international bodies at the present time.

So far as aid is concerned, the activities of already existing international institutions are being reinforced through the establishment of consortia to attract, into each of the underdeveloped countries as programs are developed, additional

funds from the more prosperous countries of Western Europe. And with respect to emergency requirements, joint action by the International Monetary Fund and interested outside governments (often accompanied by leading commercial banks) provides practical possibilities for the kind of emergency assistance that can be used without abuse.

The most prominent question currently, however, is whether the new arrangements of the convertible gold-dollar system, once established and understood, can provide a mobilization of reserves to meet sudden and heavy drains upon the dollar itself. So far as the precipitation of a run through pressures on the London gold market may be concerned, the Basle group has already achieved important results. Price changes are occurring only over a range wide enough to make speculation costly, and there is now a close, participating interest on the part of the principal European countries, as well as the United Kingdom and the United States, in the maintenance of orderly conditions there. To be sure, so long as nations and individuals are free to exercise choices, and so long as changes occur in the degree of confidence in the dollar or in other currencies, it will be impossible to escape pressures. The gain has come in curbing capricious or mere follow-the-leader raids upon the gold which serves the world's monetary reserve needs, and in sharing the responsibility for required action. Perhaps in an ideal world the interrelated monetary systems would function even better if private individuals were not allowed to own gold in any country, and if no London gold market existed. But for the world that we have, the present arrangements represent a marked change and improvement, a change which necessarily rests upon mutual and voluntary action based upon confidence.

In a somewhat comparable way, through reciprocal holdings of currencies, through engaging in forward transactions in currencies, and through the outright borrowing of dollars or of other currencies from foreign countries, the United States has developed arrangements to cushion or offset a substantial part of any disruptive short-term capital outflows, or to minimize the impact on our central gold reserve caused by shifts of monetary reserves from countries whose gold ratios are low to those whose gold ratios are high. To be sure, these arrangements, too, could not be worked out if other countries felt that the credit risks were great; that is, if their confidence should weaken in our ability and determination to regain the initiative in controlling our own balance of payments, and to maintain the freedom of our capital markets as well as the ready interchangeability between dollars and gold. Nothing has been done which has not reflected the combined judgment of both countries involved in every set of bilateral relationships. Given that basic approach, and the mutual confidence it implies, however, a new pattern of arrangements can provide an increasing measure of protection for the dollar against incipient developments that might otherwise grow into serious runs.

But for the eventuality that a run might actually occur, new arrangements have also been made. By providing additional standby resources for the International Monetary Fund, the ten leading industrial countries, whose actions will become effective as soon as the necessary legislation passes through the appropriations process in the American Congress, have made certain that adequate supplies of other currencies will be available to meet any needs that we might expect to face. So far as other countries are concerned, the recent mobilization of more than $1 billion within a forty-eight hour period to stop a raid on the Canadian dollar provides striking evidence of the flexibility, the speed, and the magnitude of the facilities now available. And it is interesting evidence of the results that Canada has already, even before its longer-range program has been announced or implemented, regained within two months roughly two-thirds of all the reserves it had lost over the first six months of the year.

Looking further ahead, the new arrangements also are capable of providing for a steady growth in the monetary reserves needed to service the trade requirements of an expanding world. Dollars are still the currency to which all countries turn for a substantial part, if not the entire amount, of their international payments. Our financial institutions and our markets are increasingly well equipped to service the payments requirements of the world. It is a role which naturally accompanies our leading economic and political position. The only reason that the usefulness of the dollar has come into doubt is that, for some time, dollars have been added to the "money supply," i.e., the monetary reserves, of other countries at too fast a pace. That is because our balance-of-payments deficit was, in effect, creating reserve dollars for others, at a rate which outran the current requirements for liquidity in the world's monetary reserves. In those circumstances, just as occurs when money is created too rapidly inside any single country,

renewal of the ready acceptability of the currency depends upon limiting further increases until the uses for that liquidity should have caught up.

Once the United States has its balance of payments fully under control, the rate of increase in the supply of dollars available to serve the international liquidity requirements in the world can also be managed. Whether or not there is a corresponding proportionate increase in the underlying supply of gold in the world's monetary reserves, additional increases in the supply of dollars can rest upon an accumulation by the United States of incremental amounts of the currencies of other leading countries. These other currencies, while not equally capable of serving the multitude of functions required of a reserve currency, can, as the United States acquires holdings of them, be brought into a further mutual sharing of some of the responsibilities which the international reserve system must itself carry.

What this may mean in the future in the way of additional consultation and negotiation with respect to the particular currencies so used, and the manner in which such currencies may cushion drains upon the dollar at particular times—serving in that respect as a substitute for drains upon the gold reserve itself—all remain to be worked out in the tests of day-by-day experience. But the structure of the new relationship has already been established. Its potential capabilities for meeting the world's longer run liquidity requirements are clearly at least as promising as any of the more familiar proposals. And its possibilities for practicable operation in everyday affairs are clearly much enhanced by the fact that the new system builds directly upon the existing payments procedures to which governments and individuals are already well accustomed. This would seem to be not only the most promising, but also the most reliable, pattern for new developments to follow.

EXHIBIT 30.—Remarks by Assistant Secretary of the Treasury Bullitt, March 19, 1963, at the Annual Rhode Island World Trade Conference on the Common Market and the U.S. balance of payments

If the United States is to continue to properly finance its vital overseas military and economic aid programs, as well as those expenditures that arise from the smooth functioning of a free economic system, we must increase our commercial trade surplus. In a word, U.S. businessmen must export more. Although our exports are large, they are not large enough. What is needed is nothing less than a reorientation of American business to foreign opportunities. Provided we continue to have price stability, American products, combined with American salesmanship, can compete successfully throughout the world. But to do this, thousands of businessmen to whom foreign markets and selling techniques are a mystery must learn about the profit potentialities and selling techniques abroad.

The kind of conference you are having here today appears to be designed to do just that. Time after time, I have heard of American firms that wanted to export but gave up when they were faced with the supposed complexity of international marketing. The more that can be done to dispel this fear of the unknown, the closer we will be to balancing our international accounts.

Of course, in the broader view, we must do more than strive to sell more. To succeed, we must have vigorous economic growth at home in an atmosphere of price stability and enhanced competitiveness vis-a-vis foreign products, both at home and abroad. In this way we can reach and maintain our goal of reasonable equilibrium in our balance of payments and thus contribute to the enduring strength of the dollar. Through these means we can continue to meet our domestic and international economic objectives and responsibilities. The strength of our currency and the vigor of our economy are important to all free nations. In the network of world trade and payments—a network which grows ever closer—U.S. trade forms a significant part, about 18 percent, of the total, and the dollar has come to serve as the world's chief trading and reserve currency.

The United States exports more than any other country in the world and has traditionally had a substantial trade surplus. In the past three years our trade surplus, after deducting about $2 billion for exports financed by Government grants and credits, has averaged about $2.7 billion annually. These surpluses, however, together with our other receipts have not been enough to cover outpayments.

The result has been the deficits we have seen in the U.S. balance of payments. Because of increasing prosperity and international competitiveness in Europe—

combined with widespread currency convertibility for the first time since the War—these deficits were very substantial, and growing, in the years 1958 through 1960. Speculative attacks on the dollar and very large decreases in our gold stock characterized this period.

During the past two years, stability has returned. Following President Kennedy's message of February 6, 1961, on gold and the balance of payments, and the programs adopted under it, confidence in the dollar was restored, and has been maintained. The large drain of our gold was reduced from $1.7 billion in 1960 to well under a billion dollars in each of the following years. The trend toward increasingly large deficits in our balance of payments that characterized the years immediately before 1961 has been reversed. But reversal of the trend is not enough and the deficit in our international payments is still too large.

Our overall international payments deficit, which reached $3.9 billion in 1960, was cut to $2.4 billion in 1961 and to $2.2 billion last year. I would be less than candid if I did not say, however, that the improvement last year compared to 1961 was disappointing, even though we know that underlying these figures there are favorable forces working towards our goal of payments equilibrium. It is important to remember, however, that the improvement this past year was made despite a rise in imports of $1.7 billion from the recession low of 1961. But exports were up only $500 million. Thus, although we still had a substantial commercial trade surplus, it was just not enough to cover all our other net payments.

It is necessary, therefore, to pay even greater attention to the task of increasing the U.S. trade surplus, so that we may earn enough regularly from abroad to balance our payments. This is why we must increase our exports. The alternative of seeking to achieve a larger trade surplus by restrictive measures is not a solution. As President Kennedy said in his February 1961 message, "such a course would provoke retaliation; and the balance of trade, which is now substantially in our favor, could be turned against us with disastrous effects to the dollar."

With exports at 4 percent of our annual gross national product, increased exports should be well within our capacity. In the Common Market countries, as a contrast, we find, for example, that Germany's exports are about 15 percent of GNP and Italy's about 12 percent.

World demand is increasing rapidly for products which the American economy can produce well and economically.

Rapidly expanding demand has been most dramatic in the European Common Market. The six Common Market nations now have a population almost as large as the United States. These six countries have a gross product of about $180 billion and they expect it to rise to almost $290 billion by 1970—an increase of almost 60 percent. Past growth has brought with it an increased demand for foreign goods and a growth of U.S. exports to the six European Economic Community (EEC) countries from about $2.5 billion in 1958 to over $3.6 billion this past year.

Imports of U.S. manufactured goods by the Six, which represent about one-half of our sales there, increased by 70 percent over this period. This was made possible both by growth in European demand and the virtual elimination of import quotas on manufactured goods. It has also been a rapidly growing market for U.S. agriculture, with our agricultural sales there last year exceeding a billion dollars. While the dollar amounts are smaller, U.S. agriculture relies more heavily than U.S. industry on Europe as an export market, which is one reason why the Common Agricultural Policy of the Six as it is finally established is so important to us.

The market is well suited for American products and has further great potential for us as it develops into a mass market of the kind U.S. businessmen know best. Although the Government can provide some leadership, the end result is up to you and your efforts. This is a challenge, and an opportunity, which cannot go unanswered.

It was this challenge that the Trade Expansion Act of 1962 was designed to meet, by providing us with the tools to assure access to that growing market. We will utilize these tools to the fullest extent to improve the access of the products of U.S. factories and farms to the European Common Market as well as to other major world markets. We are already at work on the preliminary steps required under the Trade Expansion Act prior to any general round of tariff negotiations, and look forward to formal negotiations sometime in 1964.

There has been much speculation about the disruption of the United Kingdom's negotiations with the Common Market. It is, of course, too early to judge pre-

cisely what the implications of this may be, but it is clear that the underlying forces dictating the need for greater European unity and effective Atlantic cooperation have not changed. It is clear also in the interests of the whole free world that the EEC develop in an outward-looking, liberal manner. We will use our influence to this end.

We are now testing the responses of the Common Market and other countries to our positions under the Trade Expansion Act, thus pursuing steadfastly a positive line of policy that meets the needs of the United States and the rest of the free world. And we look forward to more than tariff discussions. We will continue our unremitting efforts to bring about the elimination of some of the other barriers to our exports, by pressing Common Market and other countries to avoid actions that might restrict access to their markets.

The Trade Expansion Act looks to the future, but what we are doing now to carry out our urgent program of increasing exports to help bring U.S. international payments into balance is equally important. We have undertaken a vigorous program of export promotion. To spearhead this campaign, President Kennedy has created a new post in the Commerce Department—National Export Expansion Coordinator. In the State Department, the position of Special Assistant for International Business has been created to assist in problems encountered by American businessmen, especially in their relations with foreign governments. A series of concrete programs are underway here and abroad to promote increased U.S. business interest in exporting and to promote increased sales opportunities for U.S. products in potential markets abroad. We look to even broader and more intensified efforts this year. We welcome any ideas any of you may have as to how these programs could be made more effective or as to any new efforts Government or business might undertake.

In the field of export financing we have developed export credit facilities which are the equal of those anywhere in the world. The Export-Import Bank has improved its existing facilities and in cooperation with a large group of private insurance companies has formed the Foreign Credit Insurance Association (FCIA). The FCIA inaugurated in February, a year ago, a comprehensive program of short-term export credit insurance. Since mid-July it also has begun issuing medium-term export credit insurance. The Export-Import Bank offers direct exporter credits and provides medium-term bank guarantees for exports in addition to its other financial assistance to U.S. exports. In January of this year further significant improvements were made in the FCIA-Export-Import Bank program, and work is going forward on continued improvement. It is important that you and other present and potential U.S. exporters know of the opportunities these excellent facilities offer.

Continued and growing access to EEC and other markets, better export financing, and vigorous efforts to increase business awareness of export opportunities are only part of what is needed. Another ingredient is our productive strength at home and the competitive vigor of our free private economy to produce and sell the products that will be demanded by the rest of the world. This depends importantly on price stability, combined with high levels of domestic private investment and on a growing economy applying advanced technology and research for the continuous improvement of our products. Our overall price level has been essentially stable for the past five years. We are determined to maintain this stability and to encourage economic growth.

This has a particular significance to our competitive position now. As we examine developments in some of the countries of Western Europe, we see that upward cost pressures have developed. Profits have been squeezed and price pressures are becoming evident. The competition remains keen, however, and it is up to all of us to improve our competitive edge.

Higher domestic growth and investment will create outlets at home for some of the capital now seeking employment abroad. Inadequate investment opportunities at home and vigorous economic growth in the Common Market and other countries of Europe have resulted in a substantial outflow of U.S. private investment. At the same time, inadequately developed European capital markets have resulted in some added burden to our balance of payments, as long-term funds from the U.S. are sought by some foreign borrowers.

One answer lies in the development in the EEC and other European countries of capital markets more closely reflecting recent European developments and European needs. This we have encouraged and have already seen some results. Another answer is given by our tax proposals.

Last year an important move to stimulate investment in U.S. industry was made through the depreciation reform and the investment tax credit. The President's program of tax reform and tax reduction now before the Congress is designed to provide a further, and basic, stimulus to domestic investment. It will provide new incentives for modernization and encourage industrial research. Last year the tax liabilities of American business were reduced by an estimated $2.5 billion as a result of President Kennedy's investment credit and depreciation reform. The tax program he has now before the Congress would reduce the maximum corporate tax rate by 1965 from 52 to 47 percent, cutting business taxes another $2.5 billion for a total of $5 billion. The combined impact of both measures will be to increase the aftertax profitability of new investment by almost 80 percent. Together with the increase in consumer demand which will come from sharply reduced individual tax rates, this incentive to investment will foster greater modernization and efficiency, vital factors in meeting international competition. The higher profits implicit in the tax program will support and reinforce our more specific efforts to deal with our balance of payments.

I should also like to touch upon some of the other measures we are pursuing to bring about an improvement in our balance of payments. We have given considerable attention to the net impact on the balance of payments of the Government's own transactions. The cost to our balance of payments of our large defense expenditures abroad has been reduced from a net outflow of about $2¾ billion in 1960 to less than $2 billion in 1962.

These net foreign expenditures for defense have been reduced through savings which do not impair our overseas military effectiveness, and, importantly, by the cooperation of other countries, particularly Germany, in purchasing U.S. military equipment. We will continue to press ahead with these arrangements and also with our efforts to obtain a greater sharing of the responsibilities of defense—and of economic assistance to less-developed countries—by other industrial nations.

Because of our balance-of-payments problem, we have been emphasizing policies designed to assure that the bulk of our foreign aid is given in the form of U.S. goods and services rather than dollars. In addition to reducing the impact on our balance of payments of our military and foreign assistance programs, a Government-wide system of review has been introduced to provide tighter scrutiny and control of foreign expenditures under all other Government programs.

And while we go urgently about the task of restoring international payments balance, countries in the Common Market, Japan, and others associated with us in such forums as the OECD and the International Monetary Fund have cooperated with us in other ways.

For example, direct and immediate effects on improving the U.S. balance-of-payments deficit have resulted from prepayments of debts owed the U.S. Government by Germany, France, and Italy. An important contribution to the strengthening of the international payments system was the arrangements completed last year under which the major industrial countries agreed to make available to the International Monetary Fund up to $6 billion, if needed, to avoid any threatened impairment of the international monetary system. The existence of these facilities alone acts as a strong deterrent to speculation against the dollar and other currencies.

We have also undertaken, in close cooperation with foreign financial officials, further significant improvements in meeting potential strains on world currencies, whether directed against the dollar or others, and in promoting the efficiency of the free world payments system and thereby of world trade. In 1961, for the first time since the '30s, we undertook operations in the foreign exchange markets. These were reinforced by the Federal Reserve's own operations, inaugurated last year, as well as its reciprocal currency agreements with the monetary authorities of other industrialized countries.

Treasury has also undertaken direct borrowing arrangements at short- and medium-term from official entities in other countries which are in a strong situation. All of these operations and arrangements have been tested. Their effectiveness in meeting potential strains on currencies was demonstrated at the time of the stock market disturbances last spring, during the Canadian exchange crisis, and again during the Cuban showdown. Our borrowing and exchange operations have enabled us to provide a further bulwark for the dollar and to reduce the outflow of gold, while we progress in our program of reducing and eliminating the deficit in the U.S. balance of payments. They are not intended as, nor can they be, any substitute for the efforts we are making to get our balance of payments in

equilibrium, an objective which we continue to pursue with vigor and determination.

But the Government's steadfast pursuit of policies to eliminate our international payments deficit must go hand-in-hand with energetic action by private business and finance. Our success in building our exports and in further advancing our economic strength and competitiveness rests importantly, and primarily, on you and your associates around the country. The task ahead may not be an easy one, but it is clear. The job of all of us is to get ahead with it.

EXHIBIT 31.—Treasury and Federal Reserve foreign exchange operations, September 1962–February 1963

This second joint interim report reflects the Treasury-Federal Reserve policy of making available additional information on foreign exchange operations from time to time. The Federal Reserve Bank of New York acts as agent for both the Treasury and the Federal Open Market Committee of the Federal Reserve System in the conduct of foreign exchange operations.

This report was prepared by Charles A. Coombs, Vice President in charge of the Foreign Department of the New York Reserve Bank, and Special Manager, System Open Market Account.[1]

As of the end of August 1962 the Federal Reserve had negotiated reciprocal currency agreements with seven foreign central banks and the Bank for International Settlements amounting to a total of $700 million.

Since then the network has been extended to include the Bank of Italy, the Austrian National Bank, and the Bank of Sweden. The agreements with the central banks of Sweden and Austria both provide for a $50 million reciprocal credit facility. The arrangement with the Bank of Italy, initially fixed at $50 million, has since been raised to $150 million. During this period the agreement with the German Federal Bank was also increased from $50 million to $150 million, and the agreement with the Bank of France from $50 million to $100 million. As of early March, therefore, the "swap" network had been enlarged to cover 10 foreign central banks, plus the Bank for International Settlements (BIS), and involved a total amount of $1,100 million. The amounts and dates of these swap arrangements are shown in Table I.

TABLE I.—*Federal Reserve reciprocal currency agreements*

Other party to agreement	Amount (millions of dollars)	Date (of original agreement)	Term (months)
		1962	
Bank of France[1]	100	Mar. 1	3
Bank of England	50	May 31	3
Netherlands Bank	50	June 13	3
National Bank of Belgium	50	June 20	6
Bank of Canada	250	June 26	3
Bank for International Settlements[2]	100	July 16	3
Swiss National Bank	100	July 16	3
German Federal Bank[3]	150	Aug. 2	3
Bank of Italy[4]	150	Oct. 18	3
Austrian National Bank	50	Oct. 25	3
		1963	
Bank of Sweden	50	Jan. 17	3
Total for all banks	1,100		

[1] Increased from $50 million to $100 million on Mar. 4, 1963.
[2] In Swiss francs.
[3] Increased from $50 million to $150 million on Jan. 17, 1963.
[4] Increased from $50 million to $150 million on Dec. 6, 1962.

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[1] For a report on operations from March 1961–August 1962, see 1962 annual report pp. 469–480.

These swap agreements do not, in themselves, constitute outstanding indebtedness. Rather, they are mutual credit facilities on a standby basis. Actual utilization of such swap lines takes the form of drawings, which in general are made only in response to specific short-term needs. When the Federal Reserve initiates a drawing under a swap, it acquires a convertible currency that can provide temporary resources for exchange market operations. In what has been a more typical use, it can purchase from a central bank dollars in excess of those that the bank would ordinarily hold, in effect absorbing or mopping up these dollars for the period of the swap. Such an operation leaves the total dollar holdings of the foreign country unaffected, but it substitutes dollars sold forward to the Federal Reserve for dollars held outright without such exchange cover. Therefore, Federal Reserve use of swap facilities can provide a temporary alternative to an enlargement of "outright" dollar holdings of foreign central banks beyond the point at which conversion into gold would become likely.

Total drawings on the swap arrangements can be and in fact have been initiated not only by the Federal Reserve but also by other central banks. They have exceeded $600 million since their inception in March 1962. As of the end of February 1963, the net debtor position of the Federal Reserve in all swap agreements combined amounted to considerably less than $100 million.

The first line of defense against speculation provided by this strengthened swap network has been reinforced by negotiation of a series of Treasury issues of special certificates and bonds denominated in the currencies of the European central banks and treasuries to which they have been issued. Lira bonds taken up by the Bank of Italy now amount to $200 million in U.S. dollar equivalents. Mark bonds placed with the German Federal Bank amount to another $200 million, while Swiss franc bonds and certificates acquired by the Swiss National Bank and the Swiss Confederation amount to $129 million. The precise purpose of each issue has varied somewhat from country to country, but one common characteristic is that these issues provide the foreign countries concerned with an advantageous investment medium for past or present balance-of-payments surpluses.

Such balance-of-payments surpluses, it is important to note, need not necessarily reflect a foreign country's surplus with the United States. Instead, they may represent a surplus in its overall balance-of-payments accounts with the world as a whole. Nevertheless, because of the role of the dollar as an international reserve currency, such surpluses tend to increase the dollar reserves of the surplus country and hence, if these reserves exceed that country's traditional or legal limits, may create a problem for the United States as banker for the international financial system.

Although the principal surplus countries have already taken a number of actions to neutralize or offset the influx of dollars, especially through debt prepayments and operations in forward markets with their commercial banking systems, the recent introduction by the United States of foreign currency certificates and bonds can be an important further aid in the financing of such international payments imbalances. Issue of foreign currency certificates and bonds by the United States provides this country with an additional source of international liquidity which may be particularly useful during periods of U.S. balance-of payments deficits. In addition, insofar as the proceeds of foreign currency borrowing are used by the Treasury to acquire dollars, these dollars may be used to meet fiscal needs which could otherwise require domestic borrowing. The surplus country abroad simultaneously acquires an equivalent source of potential liquidity in the event of a shift from surplus to deficit in its own payments accounts. It is possible that the U.S. Treasury may undertake similar certificate and bond operations in other European currencies and thereby create in due course a second line of defense behind the swap network. The following account of Federal Reserve and Treasury operations in individual currencies shows the gradual development of these interrelated techniques.

Belgian francs

All operations in Belgian francs have been handled by the Federal Reserve on the basis of the $50 million swap arranged on June 20, 1962, between the Federal Reserve Bank of New York and the National Bank of Belgium. In contrast to all the other swap arrangements, which have now been placed upon a standby basis until drawings are initiated by either party, the Federal Reserve swap with the National Bank of Belgium remains fully drawn, as it has been from the beginning. It thereby provides the National Bank of Belgium with a supple-

mentary dollar balance of $50 million and the Federal Reserve with an equivalent balance of 2,487 billion Belgian francs.

With a continuing ebb and flow of dollar payments between Belgium and the rest of the world, the Federal Reserve has made periodic disbursements of Belgian francs to absorb temporary surpluses of dollars on the books of the National Bank of Belgium and then quickly reversed these operations as Belgian demands for dollars enabled the Federal Reserve to replenish its Belgian franc balance. Table II illustrates the reversible flows of funds which have been cushioned by such Federal Reserve exchange operations.

TABLE II.—*Federal Reserve operations in Belgian francs*

[In millions of U.S. dollar equivalents]

Date	Disbursement	Repurchase	Closing balance (including interest earnings)
1962			
June 20			50.0
Aug. 7	10.5		39.5
Sept. 17–21		10.5	50.0
Oct. 11	10.0		40.0
Nov. 19	10.0		30.0
Dec. 19		5.0	35.0
Dec. 28–31			
1963		14.4	50.0
Jan. 1–4			
Jan. 31	5.0		45.0
Feb. 11		5.0	50.0

In its turn, the National Bank of Belgium also used the swap facility. On January 16, 1963, the National Bank disbursed $5 million of its dollar balance acquired under the swap—which it replenished by January 31—and on February 21, it again made net use of the swap, this time in the amount of $10 million. Thus, between August 1962 and mid-February 1963 payments swings in the Belgian dollar position of more than $90 million were smoothly and quietly financed through the swap facility, thereby dispensing with gold payments in an equivalent amount. Such routine employment of mutual credit facilities has represented a noteworthy economy in the use of gold.

Netherlands guilders

As noted in the previous report, a substantial influx of funds into the Netherlands developed in the late spring and early summer of 1962 in response to various factors, a large stock offering by a Dutch corporation, a tightening of the Amsterdam money market, and, perhaps most important of all, the uncertainties created by the sharp decline in prices on the New York and foreign stock markets late in May. Part of this inflow seemed likely to prove reversible in due course; moreover, there were also in early prospect sizable dollar outpayments by the Netherlands for various special purposes. To bridge the gap, the Federal Reserve drew between June 14 and July 26 the entire $50 million in guilders available under the swap arrangement negotiated with the Netherlands Bank on June 13 and used these guilder funds to absorb surplus dollars on the books of the Netherlands Bank.

These swap operations by the Federal Reserve were supplemented in late July by a resumption of Treasury forward operations in guilders, which reached a total of $36 million equivalent of forward sales contracts outstanding by the end of August. The Treasury also executed a $50 million swap with the Netherlands Bank on July 26, of which $15 million was immediately drawn and disbursed. These System and Treasury operations enabled the Netherlands Bank to avoid purchasing roughly $100 million of gold from the United States during a period of considerable nervousness in the exchange markets.

By mid-August 1962 the tide had already begun to turn. With an easing of the Amsterdam money market, Netherlands repayments of dollar bank loans,

and a striking recovery of confidence in the dollar following President Kennedy's Telstar broadcast, the dollar strengthened against the guilder. The Federal Reserve was thereby enabled to accumulate guilders against its liability under the swap drawing. By September 17 the Federal Reserve had paid off the entire $50 million drawn under the swap, which then reverted to a standby basis.

A continuation of these exchange market conditions throughout September, most of October, and November also enabled the U.S. Treasury to accumulate sufficient guilders to pay off its swap drawing prior to maturity and to liquidate at maturity the 3-month forward guilder contracts entered into during July and August. When early in October the Netherlands guilder rate rose somewhat, owing to a renewed tightening of conditions in the Amsterdam money market, however, the Treasury sold a small amount of spot guilders to moderate the rise. The Federal Reserve also drew $10 million of guilders under its swap arrangement to prepare for possible additional operations. No occasion arose to use this guilder drawing, however, and it was liquidated early in 1963. With the exception of this episode and of a brief flurry of speculation during the Cuban crisis, requiring only minimal intervention by the Federal Reserve in the spot market, the dollar-guilder market has remained relatively well balanced during the past 6 months.

Canadian dollars

In June 1962 the Federal Reserve and the Bank of Canada concluded a $250 million swap agreement, which was immediately and fully drawn upon as part of a $1 billion program of international financial cooperation designed to reinforce the Canadian Government's efforts to defend Canada's newly established par value against a speculative onslaught. Announcement of financial assistance on this massive scale, coupled with a Canadian Government announcement of fiscal and other measures to reduce Canada's payments deficit, immediately broke the speculative wave. In succeeding days, the U.S. Stabilization Fund made market purchases of Canadian dollars in small amounts.

As the liquidation of short positions in Canadian dollars got underway and the historically heavy flow of U.S. capital funds to Canada resumed, Canadian official reserves registered heavy gains from month to month. After renewing the Federal Reserve swap for an additional 3 months on September 26, the Bank of Canada took advantage of the continuing return flow of funds to liquidate the swap in three steps: $125 million on October 31, $50 million on November 30, and the remaining $75 million at the December 26 maturity. The swap then reverted to a standby facility, which may be immediately drawn upon by either party in case of need. The speed and effectiveness of international financial cooperation in repelling the 1962 attack on the Canadian dollar has had a useful chastening effect on speculative activity in exchange markets throughout the world.

Austrian schillings

With the Austrian balance of payments in strong surplus, the reserves of the Austrian National Bank rose by $211 million during the first 9 months of 1962. On October 25 the Federal Reserve entered into a $50 million swap with the Austrian National Bank and shortly thereafter drew and utilized the full proceeds of the swap to absorb 50 million of surplus dollars on the books of the Austrian National Bank. During the 3-month term of the swap drawing, the Austrian balance of payments remained in surplus, and no reversal of the flow of funds appeared in immediate prospect. Accordingly, at maturity on January 24, 1963, the swap drawing was entirely repaid and was placed on a standby basis.

Meanwhile the swap had provided the Austrian National Bank with a satisfactory alternative to immediate purchases of gold. Although no opportunity arose for the customary swing operation, one useful result has been that Austrian gold purchases have been stretched out over a longer period than would otherwise have been the case.

Italian lire

For most of 1962 Italy remained in a strong balance-of-payments position and would have registered another large official reserve gain in the absence of cooperative action with the United States, involving Italian debt prepayments, U.S. borrowing operations, and coordinated official action on the exchange

markets. The U.S. and Italian Governments approached this problem in a spirit of mutual cooperation and understanding, with no expectation on either side that the problem could be quickly solved. On the other hand, it was mutually recognized that exchange and related operations designed to minimize the growth in Italian exchange reserves could provide a highly important breathing space during which natural corrective forces, plus policy measures, might gradually take effect.

Even if Federal Reserve swap facilities had been available at the beginning of 1962, it is highly doubtful that this central bank technique to deal with reversible flows would have been utilized at that time. The device actually chosen was that of issuance to the Bank of Italy by the U.S. Treasury of 3-month certificates denominated in lire under a $150 million line of credit extended by the Bank of Italy. Under this line of credit, the U.S. Treasury issued a $25 million lira certificate on January 26, another $50 million certificate on March 9, and a $75 million certificate on August 7.

The lira proceeds of these issues were only sparingly disbursed in exchange operations during the first half of the year. But as the Italian balance of payments moved into seasonally heavy surplus during the summer months, the Treasury absorbed the bulk of the inflow by drawing upon the lira balances acquired through the certificate issues. The Italian Government made a highly effective contribution to this program of restraining the rise in Italian official reserves by an advance payment of $178 million of debt owed to the U.S. Government.

By the end of October, with the exception of a brief speculative flurry occasioned by the Cuban crisis, the flow of funds to Italy had tapered off to minimal proportions, but there was still no early prospect of outflows sufficiently large to enable the U.S. Treasury to liquidate its lira-certificate obligations. Although rollovers of the 3-month lira certificates would have been entirely feasible, it seemed appropriate to acknowledge forthrightly the likelihood that this indebtedness would have to remain outstanding for some time by shifting from short- to medium-term financing. Accordingly, in October, the Treasury began a program of refunding the $150 million of maturing lira certificates, which had been rolled over several times at their respective maturities, into 15-month lira bonds. These lira-bond issues were increased to $200 million in November in order to offset a sudden increase in Italian official reserves indirectly resulting from institutional reforms in the Italian short-term money market.

While thus taking direct action to cope with the growth of Italian official reserves, the U.S. Treasury also undertook to share the forward contract commitments undertaken by the Bank of Italy with Italian commercial banks. These forward-exchange contracts also provide the Bank of Italy with an important instrument for regulating commercial bank liquidity. Both total contracts outstanding and the share held by the U.S. Treasury varied considerably over the course of the year. In view of the dual purpose such forward operations may serve it is possible that these contracts might be permitted to run somewhat beyond the restoration of equilibrium in the Italian balance of payments.

It would have been inappropriate to use essentially short-term Federal Reserve swap facilities to deal with the basic surplus position of Italy during most of 1962. Nevertheless, in anticipation of circumstances in which such operations might become desirable, the Federal Reserve entered into a $50 million swap arrangement with the Bank of Italy on October 18, and on December 6 the arrangement was increased to $150 million. At the yearend a sizable flow of dollars to Italy developed, mainly as a result of yearend commercial bank window dressing, which was expected to reverse itself early in the new year. Most of this temporary flow of funds was absorbed on December 28 by a Federal Reserve drawing of $50 million under the swap. The anticipated reflow did occur, and the drawing was repaid on January 21, 1963.

Swiss francs

As noted in the previous report, the Treasury's outstanding market commitments in forward Swiss francs amounted to $146.5 million equivalent at the end of February 1962. As the Swiss balance of payments moved into deficit during succeeding months, the Swiss National Bank purchased a total of $139 million from the Federal Reserve Bank of New York as agent of the U.S. Treasury.

If the U.S. Treasury had elected to meet these dollar requirements of the Swiss National Bank by accepting Swiss francs in payment the increase in the Treas-

ury's franc balances would have been adequate to liquidate nearly all of its outstanding market contracts in forward Swiss francs. But in order to avoid recreating suddenly too much liquidity on the Swiss money market, the Swiss sold gold to the U.S. Treasury in payment for $74 million of the dollars needed by the Swiss National Bank and paid for the remaining $65 million in Swiss francs. The U.S. Treasury used these Swiss franc balances to liquidate $55 million of maturing forward contracts. By the end of May 1962, contracts outstanding had been reduced to $91.5 million equivalent.

In late May 1962, although Switzerland's balance of payments on current account remained in heavy deficit, the flow of funds again shifted heavily in favor of Switzerland as a result of speculation caused by the Canadian devaluation and the precipitous decline in the New York and other stock markets. As a consequence, the Swiss National Bank had to buy dollars in the amount of about $270 million between May 30 and July 23. This development not only raised the possibility of equivalent purchases of U.S. gold by the Swiss National Bank but also excited speculative pressures on the exchange markets. To deal with this troublesome situation, the Federal Reserve in mid-July negotiated standby swap arrangements of $100 million each with the Swiss National Bank and the BIS.

Under these swap arrangements, the Federal Reserve drew a total of $110 million in Swiss francs, which were immediately employed to absorb an equivalent amount of dollars on the books of the Swiss National Bank. Reinforcing this operation, the U.S. Treasury increased its forward contracts outstanding from $90 million at the end of June to a peak of $139 million by August 6. These exchange operations enabled the Swiss National Bank to limit its purchases of gold from the United States to no more than $50 million during a period of widespread anxiety in the exchange markets. More generally, these operations provided further proof of the ability and determination of U.S. and Swiss financial authorities to defend their currency parities against exchange market speculation.

By August, partly due to President Kennedy's Telstar statements, the speculative fever had subsided and the Federal Reserve was able to initiate purchases of Swiss francs. Of $40 million equivalent purchased by October 15, $25 million was used to pay off—in advance—drawings under the swap with the BIS. These repayments reduced drawings of the Federal Reserve in Swiss francs to $85 million as of October 24.

This period of gradual liquidation of Federal Reserve drawings on the swaps with the BIS and the Swiss National Bank was abruptly ended by the Cuban crisis. On October 23, the day after President Kennedy's announcement of the quarantine of Cuba, another heavy inflow of funds into Switzerland developed and was only partially offset by Federal Reserve sales in the market of $8.6 million in Swiss francs. Additional small sales were undertaken during the next few days. Although the inflow subsided almost as quickly as it had begun, the Swiss National Bank had meanwhile again acquired surplus dollars, this time roughly $50 million. These surplus dollars were absorbed by combined Federal Reserve-Treasury operations. The Federal Reserve drew an additional $20 million under the BIS swap and purchased dollars from the Swiss National Bank. (Total Federal Reserve drawings of Swiss francs on the BIS thus rose to $55 million, while $50 million remained due under the swap drawing from the Swiss National Bank in July.) The remaining $30 million of surplus dollars on the books of the Swiss National Bank was sold by it to Swiss commercial banks on a spot basis with cover provided through forward purchases of these dollars by the U.S. Treasury.

These Treasury forward contracts posed certain problems. In view of the approaching yearend window-dressing period for the Swiss commercial banks, it seemed advisable to shorten the usual 90-day term of such contracts to no more than 2 months. As these contracts moved toward maturity, and with no reversal in the flow of funds appearing, consideration was given to using part of U.S. outright holdings of German marks to acquire Swiss francs. While there was, of course, no obstacle to U.S. market sales of these German marks for Swiss francs, such sales might well have resulted in a parallel transfer of dollars from German to Swiss hands. As a result the entire operation might have become self-defeating. To escape at least temporarily this potentially perverse consequence of the use of the dollar as an international currency, a 3-month swap between the U.S. Treasury and the BIS of German marks for Swiss francs was devised, and this enabled the Treasury to liquidate at maturity the $30 million of 1- to 2-month Swiss franc forward contracts falling due in December.

In the period since the Cuban crisis, the Federal Reserve has acquired modest amounts of Swiss francs, and those only recently. This delay was mainly a re-

sult of the seasonal reflux of funds to Switzerland for window-dressing purposes during the closing months of the year. Accordingly, the Federal Reserve swap drawings on the BIS and the Swiss National Bank have been rolled over at maturity with a continuing expectation by all parties concerned that the current-account deficit of Switzerland will in time bring about a reversal of the flow of funds, thereby permitting liquidation of the swap drawings.

On the other hand, considerable progress has been made in reducing Treasury forward contracts outstanding by a partial funding of these obligations. This was accomplished through a new device, that is, the issue by the U.S. Treasury of medium-term obligations denominated in Swiss francs. After inauguration of the Treasury's forward operations in July 1961, a substantial proportion of these forward contracts had been acquired through the market by the Swiss Confederation, which for several years has been running sizable budget surpluses and understandably has been desirous of investing savings thereby drawn from the Swiss public in earning assets, such as U.S. Treasury bills on a covered basis. Since the Swiss Confederation's investment plans reached well beyond the 3-month range, repeated rollovers of the 3-month forward contracts with the U.S. Treasury to facilitate such investment were recognized by both sides as an unnecessary complication. The decision was accordingly reached to provide a more direct investment outlet for the Swiss Confederation in the form of Swiss franc bonds. This method of investment enabled the Confederation to avoid recourse to the exchange markets and lessened the risks that its investment operations would become confused by the public with other Treasury and Federal Reserve exchange operations.

On October 18, 1962, therefore, the U.S. Treasury issued $23 million equivalent of 15-month bonds denominated in Swiss francs and carrying a rate of interest roughly midway between U.S. and Swiss market rates. The proceeds of this bond issue, plus a draft upon the Treasury's cash balance in Swiss francs, were immediately used to pay off $25 million of maturing forward contracts held by the Swiss Confederation. On November 8 a second issue of Swiss franc bonds, this time in the amount of $28 million for a 16-month maturity, was undertaken. Again the proceeds were immediately used to liquidate $31 million of forward contracts held by the Swiss Confederation. Still a third issue of Swiss franc bonds, this time for $30 million, with a 16-month maturity, was placed with the Swiss Confederation on January 24, 1963, and the proceeds were used to pay off an equivalent amount of forward contracts held by the Confederation.

As a result of these successive bond issues, which might of course be enlarged to provide an investment outlet for further budget surpluses of the Confederation, the outstanding Swiss franc forward contracts placed by the U.S. Treasury in the market were reduced to no more than $53 million. This reduction provides leeway for additional operations in the forward market to cope with speculative pressure or other adverse developments.

The U.S. Treasury also undertook a somewhat related operation in October 1962 by issuing 5- and 8-month certificates to the Swiss National Bank to absorb $48 million equivalent of commercial bank funds which had been sterilized by the Swiss authorities to restrain inflationary pressure on the Swiss market. By mobilizing such idle funds, the U.S. Treasury substantially reinforced its Swiss franc balances available either for intervention in the exchanges or for conversion into gold at a fixed price. (The announcement of this certificate issue, as well as the first issue of Swiss franc bonds, occurred at the very beginning of the Cuban crisis and seems to have had a useful stabilizing effect on the exchange markets at a highly critical moment.) In the future it is possible that both the U.S. Treasury and the Swiss National Bank may find it desirable to enlarge the issue of such certificates so as to draw into effective international use further amounts of the Swiss commercial bank funds sterilized at the Swiss National Bank.

German marks

In the case of Germany, the flow of funds to Europe during June 1962, after the widespread stock market declines, was reinforced by a tightening of the German money market in connection with a tax payment date. With the exchange markets already nervous because of the Canadian dollar crisis and the stock price declines, a sharp rise in the German mark rate might have aggravated market uncertainties, especially against the background of very weak dollar rates in other exchange markets. Consequently, in a program of market intervention fully coordinated with German Federal Bank operations and designed to moderate

the increase in the mark rate, the Federal Reserve sold a sizable amount of marks in New York between June 20 and July 11.

On August 2 the Federal Reserve and the German Federal Bank concluded a $50 million swap agreement, thus giving the System access to additional marks on a standby basis. The upward pressure on the mark eased, however, as was to be expected in view of Germany's fairly well balanced payments position. Thus, when renewed tension over the Berlin situation pushed the rate on the German mark slightly below par at the end of August, the Federal Reserve was able to rebuild its balances and the U.S. Treasury also acquired a small amount of additional marks.

The market for German marks remained quiet during the rest of 1962, except for a brief period in early December when repatriation of funds by German banks for yearend statement purposes and to meet a tax payment date temporarily forced the rate up. In these circumstances the Federal Reserve again intervened on a small scale. By early February 1963 the rate had again receded, and the Federal Reserve was able to rebuild its holdings.

Although German payments swings have recently been relatively small, past experience with very large flows of funds between Germany and other financial centers suggested the desirability of increasing the size of the swap facility between the Federal Reserve and the German Federal Bank. Consequently on January 17, 1963, this first line of defense was reinforced by expanding it to $150 million, on the usual standby basis.

In January and February 1963 the Treasury extended the scope of its foreign currency operations in marks by issuing four medium-term bonds denominated in marks to the German Federal Bank. These bonds, which had maturities of up to 2 years and totaled $200 million equivalent, provided the German Federal Bank with a mark investment medium for some of the excess exchange reserves it had accumulated while Germany had very substantial surpluses in its international payments.

French francs, pounds sterling, and Swedish kronor

No Federal Reserve drawings and disbursements remain outstanding under the swaps with the Bank of France, the Bank of England, or the Bank of Sweden.

Concluding comment

During the past 2 years—a period of recurrent pressure on both the dollar and sterling—the international financial system has demonstrated a high degree of flexibility and resilience in absorbing the successive shocks of the mark and guilder revaluations, the Berlin crisis, the attack on the Canadian dollar, worldwide stock market declines, and finally the Cuban crisis. These emergency situations were dealt with quickly, and perhaps with increasing effectiveness, by cooperative action by the major central banks and treasuries on both sides of the Atlantic and by the International Monetary Fund. The London gold market arrangements, central bank forward operations, provision of central bank credit facilities either on the "Basle" ad hoc basis or through more formalized standby swap facilities, U.S. acquisition of foreign exchange and intervention in the exchange markets, massive Fund credit to the United Kingdom and Canada, and, most recently, U.S. Treasury issuance of certificates and bonds denominated in foreign currencies—all these have proved their usefulness in offsetting and restraining speculation at times of severe pressures. Those who might be tempted to speculate against any major currency are now confronted with the prospect of coordinated defensive action by central banks, treasuries, and the IMF, which are capable of mobilizing impressive resources in support of any currency under attack.

No central bank or treasury official concerned with these defensive arrangements has any illusions that such devices provide any substitute for policy action to correct basic imbalances in the payments accounts of the countries involved. But it is equally recognized that such defenses against speculation can and do provide a margin of time during which appropriate policy solutions can be developed and carried out in an orderly manner.

EXHIBIT 32.—Press Release, October 24, 1962, announcing formal adherence of the United States to the special borrowing arrangements of the International Monetary Fund

Secretary Dillon today notified the International Monetary Fund of the formal adherence of the United States to the special borrowing arrangements of the IMF. With the adherence of the United States, eight of the ten participating countries with total commitments of $5,650 million have notified the Fund of their adherence, and the arrangement becomes immediately effective. The appropriation necessary for U.S. adherence was contained in the Foreign Aid Appropriation Act signed by the President on October 23, 1962.

Under the special borrowing arrangement there are made available to the IMF additional resources of $6 billion to be used if necessary to forestall or cope with an impairment of the international monetary system. Under the arrangement countries which are in a surplus position and which are gaining reserves may lend their own currencies to the Fund which in turn will supply them to other participating countries which might need additional resources. The arrangement may be of particular benefit to the United States because through it substantial additional resources would be available to the United States if the need should ever arise. The availability of these additional resources should aid materially in deterring speculation and in this and other ways will contribute significantly to the maintenance of sound international monetary conditions.

EXHIBIT 33.—Press Release, January 21, 1963, announcing the signing of an extension of an exchange agreement between the United States and the Philippines

Secretary of the Treasury Douglas Dillon and Ambassador Amelito Mutuc of the Republic of the Philippines today signed an agreement extending until March 31, 1963, the $25 million exchange agreement of June 19, 1962.

The exchange agreement is designed to assist the Philippines in its continuing efforts to promote economic stability and freedom in its trade and exchange system. Exchange operations on the part of the Philippine authorities will be for the purpose of maintaining an orderly foreign exchange system.

The agreement with the U.S. Treasury supplements the $40,400,000 standby arrangement with the International Monetary Fund which became effective April 11, 1962.

EXHIBIT 34.—Other Treasury testimony published in hearings before congressional committees, July 1, 1962–June 30, 1963

Secretary of the Treasury Dillon

Statement on a proposed $2 billion appropriation covering U.S. participation in special borrowing arrangements of the International Monetary Fund, published in hearings before a Subcommittee of the Committee on Appropriations, House of Representatives, 87th Congress, 2d session, on Foreign Operations Appropriations for 1963, Part 3, July 2, 1962, pages 1143–1149.

Statement on the balance of payments, published in hearings before the Joint Economic Committee, Congress of the United States, 87th Congress, 2d session, on the State of the Economy and Policies for Full Employment, pursuant to Sec. 5(a) of Public Law 304 (79th Cong.), August 17, 1962, pages 663–664 and 668–669.

Statements on a proposed $62 million appropriation for the third U.S. subscription payment to the International Development Association, a $2 billion appropriation covering U.S. participation in special borrowing arrangements of the International Monetary Fund, and a $60 million appropriation for the final U.S. subscription to the ordinary capital of the Inter-American Development Bank, published in hearings before the Committee on Appropriations, U.S. Senate, 87th Congress, 2d session, on Foreign Assistance and Related Agencies Appropriations for 1963, September 13, 1962, pages 581–583, and 591–597.

Under Secretary of the Treasury for Monetary Affairs Roosa

Statement on interest rates on foreign official time deposits, published in hearings before the Committee on Banking and Currency, U.S. Senate, 87th Congress, 2d session, on H.R. 12080 and S. 1413, bills to permit domestic banks to pay interest on time deposits of foreign governments at rates differing from those applicable to domestic depositors, September 18, 1962, pages 14–18.

Foreign Assets Control

EXHIBIT 35.—Form letter of transmittal to foreign subsidiaries of U.S. firms and questionnaire for trade survey

WASHINGTON, D.C., *January 21, 1963.*

DEAR SIR:

The Treasury Department has in the past issued Treasury Regulations which are applicable to trade in certain strategic commodities with the Soviet bloc by foreign firms owned or controlled by Americans. In this connection, it appears necessary and desirable to obtain a more complete knowledge of the trade with the Soviet bloc which is being conducted by such firms in commodities which are not presently subject to the existing Regulations. Accordingly, we have prepared the enclosed questionnaire which we are sending to persons and firms who according to available records are believed to own or control foreign firms.

You are requested to return the enclosed questionnaire in the enclosed self-addressed envelope not later than March 15, 1963.

Before answering the questionnaire, it may be of interest to you to read the following summary explanation of the applicable Treasury Regulations.

Brief Description of Foreign Assets Control Regulations (31 CFR Part 500).

The Foreign Assets Control Regulations among other things prohibit all unlicensed financial or commercial transactions by Americans, or by foreign firms owned or controlled by them, with Communist China or North Korea or their nationals wherever located. These Regulations also prohibit all unlicensed transactions by Americans, or by foreign firms owned or controlled by them, which involve property in which there is or has been an interest of Communist China or North Korea or their nationals on or since December 17, 1950. This is true regardless of whether the transactions involve strategic or nonstrategic commodities and regardless of the origin of the commodities. The Foreign Assets Control Regulations (which were issued on December 17, 1950) thus implement the United States policy of maintaining a virtually complete embargo on trade by Americans with Communist China or North Korea.

Brief Description of the Transaction Control Regulations (31 CFR Part 505).

The Department of Commerce's Export Control Regulations govern the export or reexport of U.S. origin goods to the Soviet bloc. The Treasury's Transaction Control Regulations, issued on June 29, 1953, supplement the Export Control Regulations by regulating shipments to the Soviet bloc by Americans (and foreign firms they own or control) of certain strategic commodities located in foreign countries. The principal commodities in foreign countries which are affected by the Transaction Control Regulations are: (a) those commodities which appear on the Department of Commerce's Positive List of Controlled Commodities and which are identified on that List by the symbol "A" in the column headed "Commodity Lists" (15 CFR 399); (b) those commodities which appear on the Munitions List issued by the Department of State's Munitions Control Board (22 CFR Part 121–128); and, (c) those commodities which appear on the Atomic Energy Commission's Atomic Energy List (10 CFR Parts 30, 40, 50 and 70).

It will be noted that the purpose of the Transaction Control Regulations is not to implement a total embargo on offshore trade with Soviet bloc countries (other than Communist China and North Korea), but to prohibit unlicensed deliveries of certain specified strategic commodities to those destinations. Applications for licenses to authorize shipment of such commodities to the Soviet bloc are decided on a case-by-case basis, after examination of all relevant factors.

The following examples illustrate the operation of the Transaction Control Regulations:

Example 1. A person resident in New York who buys cobalt (a strategic commodity on the Department of Commerce's Positive List and designated "A") produced in Africa and located in Europe from a European firm may not deliver the cobalt to a Soviet bloc nation, unless the resident has first obtained a Treasury license.

Example 2. An American corporation may not allow its foreign subsidiary to sell electronic communications equipment (on the Positive List and identified by the symbol "A") produced by the subsidiary to a foreign firm which to the subsidiary's knowledge intends to transship the goods to a Soviet bloc nation in the absence of a Treasury license.

If you have any questions about the survey, or need any explanation of the questionnaire, the Office of Foreign Assets Control, Treasury Department, Washington 25, D.C., will be happy to assist you in any way possible.

Your cooperation in obtaining the desired information and furnishing it to the Treasury will be much appreciated.

Very truly yours,

JOHN C. BULLITT,
Assistant Secretary of the Treasury.

Enclosure: Questionnaire

DEFINITIONS

1. Own or Control

For the purposes of questions (1) and (2) below, list foreign firms if:

(a) you, individually or in association with other persons or firms within the United States, own 50 percent or more of the voting stock of the foreign firm; or,
(b) you are a partner in the foreign firm; or,
(c) the foreign firm is a branch of your firm; or,
(d) the foreign firm is a subsidiary of a firm which should be listed under (a), (b), or (c).

(Firms which you otherwise control are affected by the Regulations, but need not be listed.)

2. Soviet Bloc

As used in question (3) below, the term "Soviet Bloc" includes Albania, Bulgaria, Czechoslovakia, Estonia, Germany (only those areas under control or administration of the Union of Soviet Socialist Republics or Poland), Hungary, Latvia, Lithuania, Outer Mongolia, Poland and Danzig, Roumania, Union of Soviet Socialist Republics, Viet-Nam (only those areas under Communist control). Information as to trade with Communist China or North Korea is not required for this questionnaire.

3. Positive List

The Positive List of Controlled Commodities is a list of commodities for which a validated export license document is needed from the Department of Commerce. It is contained in Part 399 of the Comprehensive Export Schedule (15 CFR 399).

QUESTIONNAIRE

1. Do you own or control one or more foreign firms? (See definition (1) above.)

YES ——— NO ———

(If "No", do not answer remainder of questionnaire.)

2. Give full names and addresses of all foreign firms you own or control.

(Name of foreign firm)	(Address)
(Name of foreign firm)	(Address)

(If you control a foreign firm in association with other persons or firms in the United States, only one of you need answer the remaining questions. However, if you are not completing the questionnaire for this reason, please identify the associated person who will complete and return the questionnaire):

____________________ (Name of foreign firm) ____________________ (Address)

3. Have any of the foreign firms listed in (2) sold any merchandise on the Positive List (not identified on that List by the symbol "A") for export to the Soviet bloc in 1961 or 1962?

YES _____ NO _____

(If "No", do not answer remainder of questionnaire).

4. Persons answering (3) "YES" fill out attached chart for each such firm. (Chart need not be filled out for a particular firm if the value of the transactions totaled less than $1,000 in 1961 and also totaled less than $1,000 in 1962. List only shipments to the Soviet bloc of those commodities which appear on the Department of Commerce's Positive List, but which are NOT identified by the symbol "A" in the column of that List headed "Commodity Lists." If identified by any other symbol, they should be listed).

CHART

Name and address of foreign firm for each shipment [1]	Commodity [2]	Schedule B No. (from comprehensive export schedule)	Country from which exported	Soviet-bloc country to which delivered [3]	1961			1962		
					Unit [4]	Quantity	Value in thousands of dollars	Unit [4]	Quantity	Value in thousands of dollars

[1] Shipments of the same commodity and made by the same firm to the same destination in any year may be combined.
[2] Give full description to identify commodity accurately, including where applicable such details as trade name; model number; type number; quality grade, etc.
[3] Delivery to a Soviet-bloc registered vessel or aircraft for use on the vessel or aircraft should be listed as an export to the Soviet-bloc country of registry.
[4] Convert to U.S. standards of weights and measures.

Name ____________________

Firm ____________________

Street Address ____________________

City and State ____________________

Employer Identification No. ____________________

Form No. TFR 606

AUTHORITY: Sec. 5, 40 Stat. 415, as amended; 50 U.S.C. App. 5, E.O. 9193, July 6, 1942, 7 F R. 5205; 3 CFR, 1943 Cum. Supp. E.O. 9989, Aug. 20, 1948 ,13 F.R. 4891; 3 CFR 1948 Supp.; § 500.601 and § 500.602 FAC Regulations (31 CFR 500.601 and 500.602).
This chart may be reproduced as needed.

Domestic Gold and Silver Operations

EXHIBIT 36.—Executive Order 11037, July 20, 1962, amending Executive Order 6260, August 28, 1933, as amended, relating to the acquisition or holding abroad or the importation of gold coins into the United States

By virtue of the authority vested in me by Section 5(b) of the Act of October 6, 1917, as amended, 12 U.S.C. 95a, and in view of the continued existence of the national emergency proclaimed by Proclamation No. 2914 of December 16, 1950, I, John F. Kennedy, President of the United States of America, do hereby further amend Executive Order No. 6260, as amended, as follows:

1. Section 12 is amended to read as follows:

"12. Except under license issued therefor pursuant to the provisions of this order, no person subject to the jurisdiction of the United States shall, after the effective date of this section, acquire, hold in his possession, earmark, or retain any interest, legal or equitable, in any gold coin, gold certificates, or gold bullion, situated outside of the United States or any securities issued by any person holding, as a substantial part of his assets, gold as a store of value or as, or in lieu of, money and not for a specific and customary industrial, professional or artistic use. The Secretary of the Treasury, subject to such other regulations as he may prescribe, is authorized to issue licenses permitting the acquisition and holding by persons subject to the jurisdiction of the United States of gold bullion situated outside of the United States which the Secretary or such agency as he may designate is satisfied is required for legitimate and customary use in the industry, profession, or art in which such person is regularly engaged."

2. Notwithstanding the provisions of Section 1 of this Order, the Secretary of the Treasury is authorized to issue licenses permitting, until January 1, 1963, the holding and disposition or importation of gold coins having a recognized special value to collectors of rare and unusual coin situated outside of the United States which were acquired by persons subject to the jurisdiction of the United States prior to the effective date of this amendment and are owned by such persons on such date.

This amendment shall become effective upon filing for publication with the Office of the Federal Register.

JOHN F. KENNEDY.

THE WHITE HOUSE,
July 20, 1962.

[F.R. Doc. 62-7266; Filed, July 20, 1962; 1:32 p.m.]

EXHIBIT 37.—Amendment to the gold regulations, July 23, 1962 (31 CFR 54)

Title 31—MONEY AND FINANCE: TREASURY

Chapter I—Monetary Offices, Department of the Treasury

PART 54—GOLD REGULATIONS

Prohibition on Holding Rare Gold Coins Abroad by U.S. Nationals and the Importation of Such Coins

The texts of §§ 54.14 and 54.20, as amended, and § 54.82 as added, are set forth below. These amendments prohibit the acquisition and possession by persons subject to the jurisdiction of the United States of any rare gold coins situated outside the United States, abrogating an exemption for such rare gold coins which has heretofore existed with respect to general prohibitions on the holding of gold and gold coins abroad by United States nationals. The amendments also prohibit the importation of any rare gold coins except pursuant to Treasury license, or for sale to the mints subject to the applicable Regulations governing purchases of gold by the mints.

Persons who acquired rare gold coins prior to the effective date of these amendments and who own them on such date are afforded until January 1, 1963, either to dispose of them by sale to any person who is not prohibited by the Regulations from acquiring them or to import them for holding in the United States as authorized by § 54.20 of the regulations.

The issuance of these amendments without notice, public procedure, or postponement of the effective date is deemed necessary in order to carry out the requirements and purposes of Executive Order 11037 of July 20, 1962. Accordingly,

these amendments are made without notice or public procedure thereon because such procedures are deemed to be impracticable and contrary to the public interest. They are effective upon filing with the Office of the Federal Register.

(Sec. 54.1 to sec. 54.82 issued under sec. 5(b), 40 Stat. 415, as amended, secs. 3, 8, 9, 11, 48 Stat. 340, 341, 342, 12 U.S.C. 95a, 31 U.S.C. 442, 733, 734, 822b, E.O. 6260, August 28, 1933, as amended by E.O. 10896, November 29, 1960, E.O. 10905, January 14, 1961, and E.O. 11037, July 20, 1962; E.O. 6359, October 25, 1933; E.O. 9193; as amended, 7 F.R. 5205; 3 CFR 1943 Cum. Supp.; E.O. 10289, 16 F.R. 9499, 3 CFR 1951 Supp.)

Section 54.14 is amended to read:

§ 54.14 Gold situated outside of the United States

(a) Gold in any form situated outside of the United States may be acquired, held, transported, melted or treated, or earmarked by or on behalf of persons subject to the jurisdiction of the United States only to the extent permitted by licenses relating to the legitimate and customary use of gold in industry, profession, or art issued under § 54.25: *Provided, however,* The provisions of §§ 54.16, 54.17, and 54.19, relating to fabricated gold, metals containing gold and gold in its natural state, respectively, shall be applicable to the acquisition, holding and transportation of gold in such forms outside of the United States by or on behalf of persons subject to the jurisdiction of the United States.

(b) The acquisition, holding, transportation, importing and exporting, by persons subject to the jurisdiction of the United States, of securities issued by any person holding, as a substantial part of his assets, gold as a store of value or as, or in lieu of, money and not for a specific and customary industrial, professional or artistic use, is prohibited.

Section 54.20 is amended to read:

§ 54.20 Rare coin

(a) Gold coin of recognized special value to collectors of rare and unusual coin may be acquired, held, and transported within the United States without the necessity of holding a license therefor. Such coin may be imported, however, only as authorized by this section or §§ 54.28 to 54.30, 54.34, 54.40, or licenses issued thereunder, and exported only in accordance with the provisions of § 54.25.

(b) Gold coin made prior to April 5, 1933, is considered to be of recognized special value to collectors of rare and unusual coin.

(c) Gold coin made subsequent to April 5, 1933, is presumed not to be of recognized special value to collectors of rare and unusual coin.

(d) The Director, Office of Domestic Gold and Silver Operations, may in exceptional cases issue or cause to be issued licenses or other authorizations permitting the importing of gold coin of recognized special value to collectors of rare and unusual coin.

Section 54.82 is added.

§ 54.82 Temporary authorization applicable to rare gold coin situated outside of the United States

Notwithstanding the provisions of §§ 54.14, 54.20, or of any other section of the regulations in this part, commencing with the filing of this section with the Office of the Federal Register and until January 1, 1963, rare gold coins as defined in § 54.20 situated outside of the United States which were acquired by any person subject to the jurisdiction of the United States prior to the filing of this section with the Office of the Federal Register and are owned by such person on that date may be held, transported, earmarked, and disposed of to persons not prohibited from acquiring such gold coins under the regulations in this part or imported by or on behalf of such owner without the necessity of obtaining a Treasury Department gold license: *Provided,* That, except as permitted by § 54.40, no gold coins imported into the United States shall be permitted to enter pursuant to the authorization contained in this section until the person importing such coins shall have satisfied the collector of customs at the port of entry that such coins are of recognized special value to collectors of rare and unusual coin and that they were acquired by such person prior to the filing of this section with the Office of the Federal Register and owned by him on such date.

[SEAL]

DOUGLAS DILLON,
Secretary of the Treasury.

[F.R. Doc. 62-7312; Filed, July 23, 1962; 10:49 a.m.]

EXHIBIT 38.—Statement by Secretary of the Treasury Dillon, April 29, 1963, before the Senate Committee on Banking and Currency on silver

The main purpose of H.R. 5389 is to provide adequate supplies of silver to meet the coinage needs of the United States and to repeal certain obsolete silver legislation. This bill implements recommendations made by the President in his January Economic Report to the Congress. H.R. 5389 was reported out by the House Banking and Currency Committee by a vote of 18-1 with one abstention and was approved by the House of Representatives, with bipartisan support, by a substantial majority. It incorporates desirable amendments made in the House committees which eliminated features in the original Administration bill, which some found controversial, and it is my hope that your committee will see fit to adopt the bill as amended in the House of Representatives.

The key provision of this bill is section 3, which amends the Federal Reserve Act to authorize the issuance of Federal Reserve notes in denominations of $1 and $2. This will make it possible for the Treasury gradually to retire $1 silver certificates, thereby making available for our coinage requirements the silver bullion presently held as backing for these silver certificates. As the silver certificates are retired, the needs of the country for $1 bills can be met by issuing $1 Federal Reserve notes.

We presently hold 1,300 million ounces of silver as backing for $1 certificates. This plus the 285 million ounces remaining as backing for silver certificates in denominations of $5 and above, which are now being retired, and the approximately 30 million ounces of free silver will assure an adequate supply of silver to meet our coinage needs for the next 10 to 20 years.

If section 3 of the bill were not enacted, we would be unable to retire $1 silver certificates for the purposes I have indicated, because we presently have no alternative form of currency which could be issued in $1 denominations in amounts adequate to meet the public needs. This would necessitate our going into the market in the very near future in competition with industrial users of silver to obtain the necessary supplies of silver for our coinage. Based upon our present estimates of coinage requirements and of the additional amounts of silver that present law requires as backing for the expected increase in the amount of currency which will need to be issued in $1 denominations, our present stocks of silver available for this purpose will run out some time in 1965. This underlines the urgent need for action by the Congress this year to assure an adequate source of supply of silver for coinage.

The remaining provisions of the bill, sections 1 and 2 of Title I and Title II, would bring our silver legislation more in line with our needs for silver for coinage and with the significant changes which have occurred in the silver demand and supply situation since 1934, when the enactment of the existing silver legislation commenced. In the House consideration of the bill, there appeared to be no opposition to the provisions of section 1 and 2 of Title I or to Title II.

Section 1 repeals the Silver Purchase Act of 1934 and the acts of July 6, 1939, and July 31, 1946. In summary, the provisions of these statutes presently in effect require the purchase of any newly mined domestic silver that may be offered at 90½ cents an ounce, permit the purchase of foreign silver, and permit the sale of silver by the Treasury at not less than 90½ cents an ounce. In addition, a number of subsidiary provisions of these same three statutes are repealed by this bill.

Section 2 retains the present law which requires the Secretary of the Treasury to keep within the United States an amount of silver of a monetary value equal to the face amount of all outstanding silver certificates. It limits his power to dispose of any silver to the public at a price lower than its monetary value, which is $1.29 plus per ounce. When the price is under that level, he may use silver only for sale to other departments and agencies of the Government or for coinage.

At the $1.29 plus monetary value, he may supply silver to the market in exchange for such silver certificates as may be presented for exchange, since silver certificates will continue to be exchangeable for silver dollars or, at the option of the Secretary, for silver bullion of equivalent monetary value.

Title II repeals the silver transfer tax which was needed only because of the provisions calling for the purchase of silver by the Government. Since these provisions are being repealed by section 1 of the bill, the silver tax should also be repealed at the same time.

For many years now silver has not served any major purpose as a monetary reserve metal. While it has been held as a reserve behind outstanding silver certificates, the amount of these in relation to total currency in circulation is small. (There are approximately $2 billion in silver certificates in circulation, of which approximately $1.5 billion are in $1 certificates, compared with over $30 billion in Federal Reserve notes [1]). Our basic currency is the Federal Reserve note which is backed by 100 percent collateral, 25 percent in the form of gold.

Recent years have seen a sharply increasing worldwide demand for silver for industrial, professional, and artistic uses. This is in marked contrast to the situation existing in 1934 when the Silver Purchase Act was passed and in subsequent years up to about 1959.

In those days it was necessary for the Government to support the price for newly mined domestic silver by taking it off the market at an artifically high price. The 1939 act established a floor price of about 71 cents per ounce. The 1946 act raised the floor price to 90.5 cents. Since November 1961, when the Treasury stopped selling silver, market forces have caused the price to rise to its present level of $1.27½.

Thus the purchase acts are inoperative, and indeed the silver-producing industry has no further need for Government assistance. Since late 1961 the producers have seen a spectacular increase in the price of their product, amounting to 40 percent, and the present $1.27½ price compares to about 45 cents when the 1934 law was enacted.

While this increase in price has benefited the producers, the recent rapid rise has created difficulties for the users. The silverware, jewelry, and other silver-using industries have had to cope as best they could with these increased costs. The legislation we have proposed will presumably result in stabilizing the market price at somewhere close to $1.29, a price that is favorable for the producers.

At the same time it will benefit the user industries by giving them the much needed assurance of a relatively stable price level. Thus, today is the appropriate time for repealing the silver legislation to which I have referred and taking the Government out of the silver business except as a consumer in the manufacture of its coins.

Silver situation today

Today, current world production of silver is not sufficient to meet current coinage and industrial demands. Annual free world production of newly-mined silver amounts to about 200 million ounces, and total consumption is around 350 million ounces, including both industrial and coinage uses.

Growth in industrial uses

Free world industrial consumption of silver (exclusive of coinage) has increased over 80 percent during the last 14 years. In 1949, it amounted to 132.5 million ounces and in 1962 it was 239.3 million ounces. Exclusive of the United States, free world industrial consumption rose from 44.5 million ounces in 1949 to a current level of about 130 million ounces.

In 1933, when the first Presidential proclamation taking newly mined domestic silver off the market was issued, U.S. industrial consumption amounted to only 10.8 million ounces. During the 8-year period from 1933 through 1940, annual average industrial consumption in the United States was 23 million ounces. In 1941, at the start of the war, it jumped to 72.4 million ounces and then to 107 million ounces during the war period 1941 through 1945. Consumption in the United States since the war has been up and down from a low of 85.5 million ounces to a high of 110 million ounces. In 1961, it was 105.5 million ounces and in 1962, 110 million ounces.

There is no end-use breakdown of world industrial consumption. In the United States there are no statistics compiled either by industry or by the Government on the end use of silver since it is difficult for the seller to identify the final use of silver. For example, silver solder may be used in any number of operations. From what information is available on U.S. consumption, we can make the

[1] As of February 28, 1963, Federal Reserve notes in circulation amounted to $29.2 billion and silver certificates, $1.8 billion. However, the amount of currency in circulation fluctuates seasonally and the figures given are considered to be more representative for this year.

following breakdown of the estimated industrial and artistic uses of silver for the years 1961 and 1962:

	1961	*1962*
	(In thousands of troy ounces)	
Batteries	5,000	6,000
Brazing alloys, solders, electrical contacts, and other electrical uses	35,000	38,000
Photographic film, plates, and sensitized paper	32,300	33,300
Silverware and jewelry	25,000	22,000
Miscellaneous	8,200	10,700
Total	105,500	110,000

The current situation regarding domestic production and consumption is: Annual newly-mined production runs around 35 million ounces, and net industrial consumption amounts to a little over 100 million ounces, about three times our current production. The excess over and above domestic production must be imported. In addition, our coinage requirements last year ran about 75 million ounces. Of our production, about 60 percent comes as a byproduct of copper, lead, and zinc production. The remaining 40 percent comes from mines in which silver is the primary product.

Retirement of silver certificates

Since November 29, 1961, we have been retiring the $5 and $10 silver certificates, replacing them with Federal Reserve notes and utilizing the silver so released for the coinage of subsidiary coins. But this supply is limited. Coinage requirements appear to be increasing each year, partly at least as a result of the ever-growing use of vending machines. Last year they amounted to about 75 million ounces.

In addition, our increasing population leads to a steady growth in the number of $1 bills required for circulation. Since at present $1 bills in needed quantities can only be issued in the form of silver certificates, this leads to a further annual requirement for silver, which last year amounted to $49 million, or roughly 38 million ounces.

Thus in 1962 about 113 million ounces of silver were required to meet our coinage requirements and the increase in $1 bills. This means that at current rates the 285 million ounces of silver presently available behind our dwindling supply of $5 and $10 silver certificates will be exhausted some time during 1965. (We cannot expect to receive all of these for retirement.)

When a used $5 silver certificate is turned in, it is retired, thus freeing the silver behind it for use in coinage. Whenever an additional $5 bill is needed in the currency, it is called for by the banking system from the Federal Reserve and a new $5 Federal Reserve note is issued.

However, at present, the Federal Reserve Banks are not authorized to issue $1 notes and, therefore, there is no such replacement available if $1 silver certificates were to be retired. Thus, it is vitally important that Congress authorize the issuance of $1 Federal Reserve notes so as to provide in an orderly way for the handling of our future needs for coinage and $1 bills.

The withdrawal of silver certificates and the use of silver back of them for coinage will be gradual. We estimate that not over $105 million of silver certificates a year will need to be redeemed in order to obtain the silver needed for coinage. Today, including the 30 million ounces of free silver and the silver back of silver certificates, we have just over 1,600 million ounces that could be used for coinage. Of this amount, over 1,300 million ounces stand in back of the $1 silver certificates.

Outside of the possible redemption of silver certificates by the public, the only demand for silver from Treasury stocks, other than coinage, would be silver needed by other Government agencies. We have 30 million ounces of free silver which can be used for this purpose without retiring silver certificates. This should be sufficient to satisfy the demands of other Government agencies, particularly the defense establishment for the manufacture of certain equipment, for the next few years.

Effect of issuance of Federal Reserve notes

In view of the fact that silver certificates are a circulating medium, it must be assumed that Federal Reserve notes will have to be issued in their place as they are retired. These are issued by the Federal Reserve, not the Treasury.

The business community, through the commercial banks, will obtain $1 Federal Reserve notes in the same manner as other Federal Reserve notes are obtained today. There are only $2 billion in silver certificates in circulation, whereas there are over $30 billion of Federal Reserve notes. There is no problem involved in substituting Federal Reserve notes for silver certificates.

The retirement of silver certificates and their subsequent replacement with Federal Reserve notes will require the use of gold as a reserve back of these notes. However, the 25 percent gold reserve needed for this purpose should not exceed $35 million to $40 million annually. This gold will come from our existing stocks of free gold. Thus, there will be no depreciation of the reserve standing behind presently outstanding Federal Reserve notes, and the new $1 Federal Reserve notes will have exactly the same types of reserves behind them as Federal Reserve notes of other denominations.

While H.R. 5389 also provides for the issuance of Federal Reserve notes in $2 denominations, this is primarily for the purpose of putting on the law books authority to issue Federal Reserve notes in any of the denominations in which we now have currency. This authority will not release any silver for coinage because except for a very small amount of the old large size bills, all of the $2 bills now in circulation are U.S. notes. Since we are required to maintain in circulation a specified amount of U.S. notes, it will probably prove convenient to continue to use the U.S. note authority to supply all of the country's needs for $2 bills.

Problems arising if $1 Federal Reserve note not authorized

If the $1 Federal Reserve note is not authorized, the Treasury will soon be forced into the untenable position of entering the market to buy silver for its coinage needs. Since U.S. production is less than our industrial requirements, silver for coinage would have to be acquired from abroad, thus increasing the strain on our balance of payments. Assuming it were necessary to buy the estimated 75 million ounces needed yearly for coinage—and assuming this could be purchased at the monetary value of $1.29 plus an ounce—the annual rate of drain on our balance of payments would be $97 million.

But silver for coinage could not for long be bought abroad at its monetary value of $1.29 plus. Such purchases would drive the price of silver up to its monetary value and beyond. This would increase the balance-of-payments drain. In addition, it would become profitable for the public to turn in $1 silver certificates, to obtain the silver standing behind them. While this would tend to reduce the balance-of-payments drain, it would at the same time lead to the gradual but certain withdrawal of all $1 bills from circulation.

At a price of $1.38 per ounce for silver, the public would find it profitable to melt down half-dollars, quarters, and dimes for their silver content. We simply cannot allow such a situation to develop.

Obviously the public must have an adequate supply of $1 bills which is not subject to constant shrinkage as bills are turned in for their silver value. And it must have a supply of subsidiary coins which are not constantly being melted down for their silver content.

This legislation provides, in the most appropriate and practical way a supply of silver for coinage without drying up the supply of $1 bills. We wish to continue the use of silver in the coinage system, but for this to be practicable it must be possible to use the silver standing behind all silver certificates, including $1 bills.

Repeal of existing silver legislation

As I have pointed out, events have long since made obsolete our existing silver legislation, the Silver Purchase Act of 1934 and the acts of July 6, 1939, and July 31, 1946. The market price for silver has gone far above the floor prices fixed by the 1939 and 1946 acts. The authority in the Silver Purchase Act of 1934 has not been used since 1942. There have been no sales to industry under the 1946 act since November 1961, when the President stopped sales because our stocks of free silver were nearly exhausted. It is high time that this obsolete and inoperative legislation is repealed. The repeal will not result in a demonetization of silver, as has been claimed. Silver was demonetized in 1900, when we went on the gold standard. We will continue to use silver in our monetary system, but only in the form of coins, instead of as backing for paper money.

Some misconceptions about the bill

I would like at this point to put to rest some misconceptions about this bill which became apparent in the course of its consideration on the floor of the

House. First, the ultimate replacement of silver certificates with Federal Reserve notes does not in any way debase our currency. The value of silver certificates has never depended upon the silver backing for them. The value of these certificates, as well as that of all other currency of the United States, has depended upon the fiscal and financial integrity of the Government. At no time since 1934 has the market value of the silver behind silver certificates equaled its monetary value of $1.29 plus per ounce. In fact, it has generally been far below that figure. As an example, in 1940, when silver had an average market value of under 35 cents per ounce, the 77/100 ounce of silver behind each $1 silver certificate was worth just about 27 cents.

Secondly, enactment of this bill is not a step toward devaluation of the dollar. The President on a number of occasions has emphasized that we have absolutely no intention of devaluing the dollar. It is the view of this Administration that such a step would be extremely harmful to the United States, and to the rest of the free world, in view of the dollar's position as the leading reserve currency of the world. Moreover, there is absolutely no connection between the action proposed in this bill and the question of devaluation. The international exchange value of the dollar is maintained through our policy of standing ready to settle our international accounts with foreign governments and central banks through the purchase and sale of gold, the only internationally accepted monetary metal for this purpose, at its monetary value of $35 per ounce. Action with regard to the use of silver in our monetary system does not affect in any way the exchange value of the dollar.

The claim has been made that in using silver now backing silver certificates we would be selling off a capital asset to finance the budget. There is absolutely no validity to this claim. The net effect of the operations permitted by this legislation will be the purchase of silver certificates with subsidiary silver coin manufactured from the silver bullion standing behind such certificates. We will derive no budgetary gain from this except for a small profit resulting from the fact that by law the silver behind silver certificates is valued at $1.29 plus per ounce and, when used in manufacturing subsibiary silver coins, at $1.38 per ounce. The silver now standing behind the silver certificates is presently subject to claim by every one of us with a silver certificate in his pocket. If this bill passes, the only change will be that this silver will also become available to put into our pockets in the form of coins as they are needed. There is no question here of selling off an asset of the Government.

Silver dollars will not vanish from circulation. We have a stock at present of about $81 million which will be issued as required. If and when more are needed, they will be minted. The provision in the present bill authorizing the Secretary of the Treasury at his option to redeem silver certificates by paying out silver bullion is solely to avoid the wasteful expense of redeeming such certificates in silver dollars when the persons presenting them for redemption desire the silver for industrial uses. It would obviously be foolish for the Government to mint silver dollars just so that they could be melted down as soon as they were received in redemption of silver certificates.

Incidentally, the Government has no hidden stockpile of silver other than the silver indicated as being in the monetary and free stocks of the Treasury. A certain amount of silver, 64.7 million ounces, is presently on loan to the Atomic Energy Commission for nonconsumption uses, but this silver is part of our silver stocks which are included in the present backing for silver certificates. Thus, it is not an extra amount of silver available to meet our coinage needs.

Conclusion

There are many interests involved in silver, most of them apparently conflicting. We believe this bill is fair to all. It provides a suitable means for the Government to obtain its silver requirements for coinage, the most important item in this bill. It permits silver, from the point of view of the producers, to rise to the level of its monetary value of $1.29 plus per ounce, if market forces carry it that high, without interference from Government sales to the public at a lower price.

It will presumably create an effective ceiling of approximately $1.29 an ounce by the provision that silver certificates shall be redeemable for silver dollars or the equivalent in bullion, which should assure the silver users that the price will not rise much beyond its present market price for a long time to come. It

repeals the 50 percent silver transfer tax prospectively. This tax remains applicable only to transfers of silver bullion made prior to the date of enactment.

It does not in any way debase or weaken the currency of the United States: The Federal Reserve notes which will replace the silver certificates in circulation have been our basic circulating medium for many years; they are a sound and time-tested form of currency; they must be backed by 100 percent collateral, of which 25 percent is in gold.

We shall continue to have this sound and highly satisfactory form of currency, the Federal Reserve note. The only difference will be that instead of having approximately $30 billion in Federal Reserve notes and $2 billion in silver certificates, we shall eventually have the entire amount in Federal Reserve notes.

Exhibit 39.—An act to repeal certain legislation relating to the purchase of silver, and for other purposes

[Public Law 88-36, 88th Congress, H.R. 5389, June 4, 1963]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—SILVER BULLION, SILVER CERTIFICATES, AND FEDERAL RESERVE NOTES

Section 1. The Silver Purchase Act of 1934 (31 U.S.C. 311a, 316a, 316b, 405a, 448–448e, 734a, and 734b), section 4 of the Act of July 6, 1939 (31 U.S.C. 316c), and the Act of July 31, 1946 (31 U.S.C. 316d), are hereby repealed. Repeals. 48 Stat. 1178; 53 Stat. 998; 60 Stat. 750.

Sec. 2. The Secretary of the Treasury shall maintain the ownership and the possession or control within the United States of an amount of silver of a monetary value equal to the face amount of all outstanding silver certificates. Unless the market price of silver exceeds its monetary value, the Secretary of the Treasury shall not dispose of any silver held or owned by the United States in excess of that required to be held as reserves against outstanding silver certificates, but any such excess silver may be sold to other departments and agencies of the Government or used for the coinage of standard silver dollars and subsidiary silver coins. Silver certificates shall be exchangeable on demand at the Treasury of the United States for silver dollars or, at the option of the Secretary of the Treasury, at such places as he may designate, for silver bullion of a monetary value equal to the face amount of the certificates.

Sec. 3. The first sentence of the ninth paragraph of section 16 of the Federal Reserve Act (12 U.S.C. 418) is amended by inserting "$1, $2," immediately after "notes of the denominations of". 40 Stat. 970.

TITLE II—REPEAL OF TAX ON TRANSFERS OF SILVER BULLION

Sec. 201. (a) Subchapter F of chapter 39 of the Internal Revenue Code of 1954 (relating to silver bullion) is hereby repealed. Repeal. 68A Stat. 590. 26 USC 4891–4897.

(b) The table of subchapters for such chapter 39 is amended by striking out the last line thereof.

(c) Section 6422 of such Code (relating to cross references) is amended by striking out paragraph (7) and by renumbering paragraphs (8), (9), (10), (11), (12), (13), and (14) as paragraphs (7), (8), (9), (10), (11), (12), and (13), respectively. 26 USC 6422.

(d) Section 6808 of such Code (relating to special provisions relating to stamps) is amended by striking out paragraph (11) and by renumbering paragraphs (12) and (13) as paragraphs (11) and (12), respectively. 26 USC 6808.

Sec. 202. Section 201 shall apply only with respect to transfers after the date of the enactment of this title.

Approved June 4, 1963.

Exhibit 40.—Other Treasury testimony published in hearings before congressional committees, July 1, 1962–June 30, 1963

Secretary of the Treasury Dillon

Statement on silver legislation published in hearings before the Committee on Banking and Currency, House of Representatives, 88th Congress, 1st session, on H.R. 4413, a bill to repeal certain legislation relating to the purchase of silver, and for other purposes, March 11, 1963, pages 3–30.

Organization and Procedure

Exhibit 41.—Treasury Department orders relating to organization and procedure

No. 107, Revision No. 9, July 16, 1962.—Authority to Affix Seal of the Treasury Department

By virtue of the authority vested in me as Secretary of the Treasury, including the authority conferred by section 161 of the Revised Statutes, it is hereby ordered that:

1. Except as provided for in paragraph 2, the following officers are authorized to affix the Seal of the Treasury Department in the authentication of originals and copies of books, records, papers, writings, and documents of the Department, for all purposes, including the purposes authorized by 28 U.S.C. 1733(b):

(a) In the Office of Administrative Services:
- (1) Director of Administrative Services
- (2) Chief, General Services Division
- (3) Chief, Printing and Procurement Division
- (4) Chief, Directives Control and Distribution Branch

(b) In the Internal Revenue Service:
- (1) Commissioner of Internal Revenue
- (2) Director, and Assistant Director, Collection Division
- (3) Chief, and Assistant Chief, Disclosure Branch, Collection Division

(c) In the Bureau of Customs:
- (1) Commissioner of Customs
- (2) Assistant Commissioner of Customs
- (3) Deputy Commissioner, Division of Management and Controls
- (4) Deputy Commissioner, Division of Investigations and Enforcement
- (5) Deputy Commissioner, Division of Appraisement Administration

(d) In the Bureau of the Public Debt:
- (1) Commissioner of the Public Debt
- (2) Deputy Commissioner in Charge of the Chicago Office
- (3) Assistant Deputy Commissioner in Charge of the Chicago Office

(e) In the U.S. Coast Guard:
- (1) Commandant
- (2) Assistant Commandant
- (3) Administrative Aide to the Commandant

2. Copies of documents which are to be published in the Federal Register may be certified only by the officers named in paragraph 1(a) of this Order.

3. The Director of Administrative Services, the Commissioner of Internal Revenue Service, the Commissioner of the Public Debt, and the Commandant of the U.S. Coast Guard are authorized to procure and maintain custody of the dies of the Treasury Seal.

The officers authorized in paragraph 1(c) may make use of such dies.

Douglas Dillon,
Secretary of the Treasury.

No. 128, Revision No. 1, October 15, 1962.—Establishment of the Office of Foreign Assets Control

Treasury Department Order No. 128 is hereby amended to read as follows:

"By virtue of the authority vested in me as Secretary of the Treasury, including section 161 of the Revised Statutes (5 U.S.C. 22), I hereby order that:

"(1) There is established in the Treasury Department the Office of Foreign Assets Control, successor to Foreign Funds Control. The Office shall function under the immediate supervision of a Director of Foreign Assets Control, who shall be designated, with my approval, by the Assistant Secretary for International Affairs. The Director shall report to the Assistant Secretary for International Affairs through the Assistant to the Secretary (National Security Affairs).

"(2) The Director of Foreign Assets Control shall exercise and perform all authority, duties, and functions which I am authorized or required to exercise or perform under sections 3 and 5(b) of the Trading with the Enemy Act, as amended, and any proclamations, orders, regulations, or rulings that have been or may be issued thereunder.

"(3) The Director of Foreign Assets Control shall be assisted in the exercise and performance of such authority, duties, and functions by such assistants and other staff as may be appointed or detailed for the purpose.

"(4) This order shall take effect immediately."

Douglas Dillon,
Secretary of the Treasury.

No. 150–57, March 4, 1963.—Redesignation of Certain Internal Revenue Regions and Districts

By virtue of the authority vested in me as Secretary of the Treasury by Reorganization Plan No. 26 of 1950, Reorganization Plan No. 1 of 1952, section 7621 of the Internal Revenue Code of 1954, as amended, and Executive Order 10289, approved September 17, 1951, made applicable to the Internal Revenue Code of 1954 by Executive Order 10574, approved November 5, 1954, it is hereby ordered:

1. Abolition of certain offices of Regional Commissioners. The following offices of Regional Commissioners of Internal Revenue are abolished:

Regional Commissioner, New York City
Regional Commissioner, Omaha

2. Realignment of boundaries of Internal Revenue Regions.

(a) Boston. The territory of the Boston Internal Revenue Region and of the office of the Regional Commissioner of Internal Revenue, Boston, shall include the States of Connecticut, Maine, Massachusetts, New Hampshire, New York, Rhode Island, and Vermont. The headquarters office shall be in Boston, Mass.

(b) Chicago. The territory of the Chicago Internal Revenue Region and of the office of the Regional Commissioner of Internal Revenue, Chicago, shall include the States of Illinois, Iowa, Minnesota, Missouri, Nebraska, North Dakota, South Dakota, and Wisconsin. The headquarters office shall be in Chicago, Ill.

(c) Cincinnati. The territory of the Cincinnati Internal Revenue Region and of the office of the Regional Commissioner of Internal Revenue, Cincinnati, shall include the States of Indiana, Kentucky, Michigan, Ohio, and West Virginia. The headquarters office shall be in Cincinnati, Ohio.

(d) Dallas. The territory of the Dallas Internal Revenue Region and of the office of the Regional Commissioner of Internal Revenue, Dallas, shall include the States of Arkansas, Colorado, Kansas, Louisiana, New Mexico, Oklahoma, Texas, and Wyoming. The headquarters office shall be in Dallas, Tex.

(e) Philadelphia. The territory of the Philadelphia Internal Revenue Region and of the office of the Regional Commissioner of Internal Revenue, Philadelphia, shall include the States of Delaware, Maryland, New Jersey, Pennsylvania, Virginia, and the District of Columbia. The headquarters office shall be in Philadelphia, Pa.

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(f) Atlanta and San Francisco. The boundaries and headquarters offices of the Atlanta and San Francisco Internal Revenue Regions remain as they existed immediately prior to the effective date of this order.

3. Abolition of certain Internal Revenue Districts and offices of District Director. The following Internal Revenue Districts and offices of District Director of Internal Revenue are abolished:

Internal Revenue District, Camden
Internal Revenue District, Kansas City
Internal Revenue District, Scranton
Internal Revenue District, Syracuse

4. Realignment of Internal Revenue Districts. For all purposes authorized by the internal revenue laws of the United States—

(a) Buffalo. The boundaries of the Internal Revenue District, Buffalo, are extended to include within such district the area comprising the Internal Revenue District of Syracuse, as such district existed immediately prior to the effective date of this order.

(b) Newark. The boundaries of the Internal Revenue District, Newark, are extended to include within such district the area comprising the Internal Revenue District of Camden as such district existed immediately prior to the effective date of this order.

(c) Philadelphia. The Internal Revenue District, Philadelphia, shall include the Counties of Adams, Berks, Bradford, Bucks, Carbon, Chester, Columbia, Cumberland, Dauphin, Delaware, Juniata, Lackawanna, Lancaster, Lebanon, Lehigh, Luzerne, Lycoming, Monroe, Montgomery, Montour, Northampton, Northumberland, Perry, Philadelphia, Pike, Schuylkill, Snyder, Sullivan, Susquehanna, Tioga, Union, Wayne, Wyoming, and York, within the State of Pennsylvania.

(d) Pittsburgh. The Internal Revenue District, Pittsburgh, shall include the Counties of Allegheny, Armstrong, Beaver, Bedford, Blair, Butler, Cambria, Cameron, Centre, Clarion, Clearfield, Clinton, Crawford, Elk, Erie, Fayette, Forest, Franklin, Fulton, Greene, Huntingdon, Indiana, Jefferson, Lawrence, McKean, Mercer, Mifflin, Potter, Somerset, Venango, Warren, Washington, and Westmoreland, within the State of Pennsylvania.

(e) St. Louis. The boundaries of the Internal Revenue District, St. Louis, are extended to include within such district the area comprising the Internal Revenue District of Kansas City as such district existed immediately prior to the effective date of this order.

(f) Other Internal Revenue Districts. The boundaries and headquarters offices of all Internal Revenue Districts not mentioned in this order remain as they existed immediately prior to the effective date of this order.

5. Implementation. The Commissioner of Internal Revenue is authorized to effect, at appropriate times and in an orderly manner, such transfers of functions, personnel, positions, equipment, and funds as may be necessary to implement the provisions of this order.

6. Effective date. The provisions of sections 1, 2, 3, and 4 of this order shall be effective January 1, 1964.

Douglas Dillon,
Secretary of the Treasury.

No. 150–58, May 17, 1963.—Redesignation of Certain Internal Revenue Regions and Districts

By virtue of the authority vested in me as Secretary of the Treasury by Reorganization Plan No. 26 of 1950, Reorganization Plan No. 1 of 1952, section 7621 of the Internal Revenue Code of 1954, as amended, and Executive Order 10289, approved September 17, 1951, made applicable to the Internal Revenue Code of 1954 by Executive Order 10574, approved November 5, 1954, it is hereby ordered:

1. Abolition of office of Regional Commissioner. The office of Regional Commissioner of Internal Revenue, Omaha, is abolished.

2. Realignment of boundaries of Internal Revenue Regions.

(a) Chicago. The territory of the Chicago Internal Revenue Region and of the office of the Regional Commissioner of Internal Revenue, Chicago, shall include the States of Illinois, Iowa, Minnesota, Missouri, Nebraska, North Dakota, South Dakota, and Wisconsin. The headquarters office shall be in Chicago, Ill.

(b) Cincinnati. The territory of the Cincinnati Internal Revenue Region and of the office of the Regional Commissioner of Internal Revenue, Cincinnati, shall include the States of Indiana, Kentucky, Michigan, Ohio, and West Virginia. The headquarters office shall be in Cincinnati, Ohio.

(c) Dallas. The territory of the Dallas Internal Revenue Region and of the office of the Regional Commissioner of Internal Revenue, Dallas, shall include the States of Arkansas, Colorado, Kansas, Louisiana, New Mexico, Oklahoma, Texas, and Wyoming. The headquarters office shall be in Dallas, Tex.

(d) Philadelphia. The territory of the Philadelphia Internal Revenue Region and of the office of the Regional Commissioner of Internal Revenue, Philadelphia, shall include the States of Delaware, Maryland, New Jersey, Pennsylvania, Virginia, and the District of Columbia. The headquarters office shall be in Philadelphia, Pa.

(e) Other Regions. The boundaries and headquarters offices of the Atlanta, Boston, New York City, and San Francisco Internal Revenue Regions remain as they existed immediately prior to the effective date of this order.

3. Abolition of certain Internal Revenue Districts and Offices of District Director. The following Internal Revenue Districts and offices of District Director of Internal Revenue are abolished:

Internal Revenue District, Camden
Internal Revenue District, Kansas City
Internal Revenue District, Scranton
Internal Revenue District, Syracuse

4. Realignment of Internal Revenue Districts. For all purposes authorized by the internal revenue laws of the United States—

(a) Buffalo. The boundaries of the Internal Revenue District, Buffalo, are extended to include within such district the area comprising the Internal Revenue District of Syracuse, as such district existed immediately prior to the effective date of this order.

(b) Newark. The boundaries of the Internal Revenue District, Newark, are extended to include within such district the area comprising the Internal Revenue District of Camden as such district existed immediately prior to the effective date of this order.

(c) Philadelphia. The Internal Revenue District, Philadelphia, shall include the Counties of Adams, Berks, Bradford, Bucks, Carbon, Chester, Columbia, Cumberland, Dauphin, Delaware, Juniata, Lackawanna, Lancaster, Lebanon, Lehigh, Luzerne, Lycoming, Monroe, Montgomery, Montour, Northampton, Northumberland, Perry, Philadelphia, Pike, Schuylkill, Snyder, Sullivan, Susquehanna, Tioga, Union, Wayne, Wyoming, and York, within the State of Pennsylvania.

(d) Pittsburgh. The Internal Revenue District, Pittsburgh, shall include the Counties of Allegheny, Armstrong, Beaver, Bedford, Blair, Butler, Cambria, Cameron, Centre, Clarion, Clearfield, Clinton, Crawford, Elk, Erie, Fayette, Forest, Franklin, Fulton, Greene, Huntingdon, Indiana, Jefferson, Lawrence, McKean, Mercer, Mifflin, Potter, Somerset, Venango, Warren, Washington, and Westmoreland, within the State of Pennsylvania.

(e) St. Louis. The boundaries of the Internal Revenue District, St. Louis, are extended to include within such district the area comprising the Internal Revenue District of Kansas City as such district existed immediately prior to the effective date of this order.

(f) Other Internal Revenue Districts. The boundaries and headquarters offices of all Internal Revenue Districts not mentioned in this order remain as they existed immediately prior to the effective date of this order.

5. Implementation. Effective immediately, the Commissioner of Internal Revenue is authorized to effect, at appropriate times and in an orderly manner, such transfers of functions, personnel, positions, equipment, and funds as may be necessary to implement the provisions of this order.

6. Effective date of other provisions. The provisions of sections 1, 2, 3, and 4 of this order shall be effective January 1, 1964.

7. Treasury Department Order No. 150-57, dated March 4, 1963, is revoked.

DOUGLAS DILLON,
Secretary of the Treasury.

No. 162-4, August 23, 1962.—Delegation of Authority to the Commissioner of Accounts To Liquidate The United States Study Commission—Texas

By virtue of the authority vested in me by Reorganization Plan No. 26 of 1950, the authority conferred upon the Treasury Department by the President of the United States to liquidate the following agency is hereby delegated to the Commissioner of Accounts:

Name of Agency	*Date of Presidential Letter*
The U.S. Study Commission—Texas	August 1, 1962

Douglas Dillon,
Secretary of the Treasury.

No. 165-14, January 2, 1963.—Delegation of Functions to the Commissioner of Customs

By virtue of the authority vested in the Secretary of the Treasury by Reorganization Plan No. 26 of 1950 (3 CFR, 1950 Supp. Ch. III), and pursuant to the authorization given to me by Treasury Department Order No. 190, Rev. 1 (26 F.R. 11877) there are hereby transferred to the Commissioner of Customs all the functions of the Secretary of the Treasury under section 305 of Public Law No. 87-793, approved October 11, 1962 (39 U.S.C. 4008).

The functions hereby transferred may be delegated by the Commissioner of Customs to subordinates in such manner as he shall direct.

James A. Reed,
Assistant Secretary of the Treasury.

No. 167-47, September 26, 1962.—Delegation of Functions to the Commandant, U.S. Coast Guard, Relating to Remission of Indebtedness of Coast Guard Enlisted Members

By virtue of the authority vested in me by Reorganization Plan No. 26 of 1950 and 14 U.S.C. 631, there are transferred to the Commandant, U.S. Coast Guard, the functions of the Secretary of the Treasury under 14 U.S.C. 461(c)—added by Public Law 87-526, dated 10 July 1962—pertaining to the remission of indebtedness of enlisted members of the Coast Guard.

Douglas Dillon,
Secretary of the Treasury.

No. 167-48, October 19, 1962.—Delegation of Functions to the Commandant, U.S. Coast Guard, Regarding Load Lines for Oceangoing, Coastwise, and Great Lakes Vessels

By virtue of the authority vested in me by Reorganization Plan No. 26 of 1950 and 14 U.S.C. 631, there are transferred to the Commandant, U.S. Coast Guard, the functions of the Secretary of the Treasury under Public Law 87-620, approved August 31, 1962 (amending 46 U.S.C. 85-85g and 88-88i) regarding load lines for oceangoing, coastwise, and Great Lakes vessels.

The Commandant may make provision for the performance by subordinates in the Coast Guard of any of the functions transferred except those of prescribing rules and regulations.

Douglas Dillon,
Secretary of the Treasury.

No. 167-49, December 19, 1962.—Delegation of Functions to the Commandant, U.S. Coast Guard

By virtue of the authority vested in me by Reorganization Plan No. 26 of 1950 and 14 U.S.C. 631, there are transferred to the Commandant, U.S. Coast Guard, the functions of 15 U.S.C. 77, vested in the Secretary of the Treasury by subsections (j) and (k) of section 1, Executive Order No. 10637, dated September

16, 1955, concerning the detention of vessels and other actions when discrimination is practiced against neutral Americans during a war in which the United States is not engaged.

DOUGLAS DILLON,
Secretary of the Treasury.

No. 167–50, JANUARY 11, 1963.—DELEGATION OF FUNCTIONS TO THE COMMANDANT, U.S. COAST GUARD

By virtue of the authority vested in me by Reorganization Plan No. 26 of 1950, 14 U.S.C. 631, and 10 U.S.C. 2311, there are transferred to the Commandant, U.S. Coast Guard, the functions vested in the Secretary of the Treasury under:

1. Chapter 137, Title 10, United States Code, except the power to make determinations and decisions under clauses (11) through (16) of section 2304(a).
2. Clause (11) of 10 U.S.C. 2304(a), but only for contracts requiring the expenditure of not more than $100,000.

The Commandant may provide for the performance by subordinates in the Coast Guard of any of the functions transferred by paragraph one. The Comptroller of the Coast Guard may be assigned the function transferred by paragraph two.

The delegation contained herein supersedes that previously granted in Treasury Department Order No. 167–26.

DOUGLAS DILLON,
Secretary of the Treasury.

No. 167–51, APRIL 19, 1963.—DELEGATION OF FUNCTIONS TO THE COMMANDANT U.S. COAST GUARD RELATING TO CIVILIAN TEACHING STAFF OF THE COAST GUARD ACADEMY

By virtue of the authority vested in me by Reorganization Plan No. 26 of 1950 and 14 U.S.C. 631, there are transferred to the Commandant, U.S. Coast Guard, the functions of 14 U.S.C. 186, as amended by Public Law 86–474, concerning the appointment and control of the civilian teaching staff of the Coast Guard Academy. This delegation of authority supersedes that contained in Treasury Department Order No. 167–17, dated June 29, 1955, on this subject.

The Commandant is authorized to redelegate these functions to the Superintendent, U.S. Coast Guard Academy.

DOUGLAS DILLON,
Secretary of the Treasury.

No. 167–52, APRIL 30, 1963.—DELEGATION OF FUNCTIONS TO THE COMMANDANT, U.S. COAST GUARD CONCERNING GRANTS FOR SUPPORT OF SCIENTIFIC RESEARCH

By virtue of the authority vested in me by Reorganization Plan No. 26 of 1950 and 14 U.S.C. 631, there are transferred to the Commandant, U.S. Coast Guard, the functions of the Secretary of the Treasury under Public Law 85–934, dated September 6, 1958 (42 U.S.C. 1891, 1892 and 1893), concerning grants for support of scientific research.

DOUGLAS DILLON,
Secretary of the Treasury.

No. 177–21, JULY 5, 1962.—DELEGATION OF FUNCTIONS TO THE CHIEF, U.S. SECRET SERVICE RELATING TO THE WHITE HOUSE POLICE

By virtue of the authority vested in me by Reorganization Plan No. 26 of 1950, there are transferred to the Chief, U.S. Secret Service, the functions of the Secretary of the Treasury under 3 U.S.C. 202, as amended by Public Law 87–481, approved June 8, 1962, relating to the White House Police.

DOUGLAS DILLON,
Secretary of the Treasury.

No. 183, Revision No. 3, October 26, 1962.—Succession Order Among Treasury Officials

1. Pursuant to Executive Order 10941, dated May 15, 1961, in the case of the death, resignation, absence, or sickness of the Secretary, the Under Secretary, and the Under Secretary for Monetary Affairs, the following officers shall, in the order of succession indicated, act as Secretary of the Treasury until a successor is appointed or until the absence or sickness shall cease:

(a) General Counsel

(b) Assistant Secretaries, appointed by the President with Senate confirmation, in the order in which they took the oath of office as Assistant Secretary.

2. Under the authority of Reorganization Plan No. 26 of 1950, the order of succession stated in paragraph 1 above is hereby extended to include the following, after the Assistant Secretaries appointed by the President with Senate confirmation:

(a) Treasury Bureau Headquarters Officials appointed by the President with Senate confirmation, in the order in which they took the oath of office in their present positions.

3. Under the authority of Reorganization Plan No. 26 of 1950, the order of succession stated in paragraphs 1 and 2 above is hereby further extended to include the following, after the Treasury Bureau Headquarters Officials appointed by the President with Senate confirmation:

(a) The Deputy Under Secretary for Monetary Affairs

(b) The Fiscal Assistant Secretary

(c) The Administrative Assistant Secretary

(d) The Assistants to the Secretary in the order of the dates of their appointments as Assistants to the Secretary.

4. Under the authority of Reorganization Plan No. 26, of 1950, the senior official of GS–15 rank or above from the Office of the Secretary, and in the absence of such an official, the senior Treasury Bureau Headquarters Official of GS–15 rank or above present at the Treasury Emergency Relocation Site, is authorized to perform as Acting Secretary of the Treasury all the duties of the Secretary of the Treasury whenever, to the best of his knowledge, the Secretary of the Treasury and all officers authorized under paragraphs 1, 2, and 3 above to act as Secretary are unable to take action. Seniority shall be determined by rank and salary level and length of service therein.

5. Under the authority of Reorganization Plan No. 26 of 1950, in the event all the officers designated in paragraphs 1, 2, 3, and 4 above are unavailable or unable to take action, the following officers shall, in the order of succession indicated, act as Secretary of the Treasury as required:

(a) Regional Commissioners, Internal Revenue Service, in the order in which they were appointed as Regional Commissioners.

Douglas Dillon,
Secretary of the Treasury.

No. 198, October 15, 1962.—Establishment of the Office of International Affairs

1. The Office of International Affairs is hereby established in the Treasury Department as a separate administrative unit within the O ce of the Secretary. The Office will function under the immediate supervision of the Director, Office of International Affairs, who will report to the Secretary of the Treasury through the Assistant Secretary for International Affairs. The Office will consist of the constituent offices named in this Order, appropriate supporting staff, and overseas personnel. Except as otherwise provided herein, all present functions, duties, and personnel of the Office of International Finance shall be transferred to the Office of International Affairs, and Treasury Department Order 86, dated July 10, 1947, is hereby cancelled.

2. The Office of International Affairs shall be responsible for advising and assisting the Secretary of the Treasury and other senior departmental officials in the formulation and execution of policies and programs relating to the responsibilities of the Treasury Department in the international economic, financial, and monetary field.

(a) The Director of the Office shall supervise the overall functioning of the constituent units of the Office, providing leadership, coordination, and, whenever

required, technical guidance and review of their operations, with a view to maximizing the efficiency, effectiveness, and initiative of such units.

(b) He shall bear special responsibility for advice and technical analysis on proposals relating to the functioning of the international payments system as a whole.

(c) He shall have the concurrent title of Deputy to the Assistant Secretary (International Affairs). In carrying out his responsibilities, the Director, Office of International Affairs, shall be assisted by one or more Assistant Directors.

3. The Office of International Affairs in Washington shall include six major constituent units, with the following designations:

Office of Balance of Payments
Office of Financial Policy Coordination
Office of International Economic Activities
Office of Industrial Nations
Office of Developing Nations
Office of Latin America

The responsibilities and scope of activities of these constituent Offices shall be as described in appendices 1–6 [1] of this Order. The officer in charge of each of these units shall be designated Dircetor of that Office. Incumbents of these Offices shall be designated by the Assistant Secretary for International Affairs with the concurrence of the Secretary of the Treasury.

The Office of International Affairs shall maintain such Treasury representatives abroad as may be required to assist in the discharge of the overall responsibilities of the Office.

The Office of International Affairs shall maintain such administrative and other supporting staff as may be required to assist in the discharge of the overall responsibilities of the Office.

4. The Director of each constituent Office shall be responsible within the overall policies and procedures of the Office of International Affairs for the effective functioning of his Office and of the Treasury representatives stationed in assigned countries. To do so, he will be required among other things to:

(a) Plan and manage the activities of his office to meet its objectives and be responsive to the needs of the Treasury;

(b) Originate ideas and initiate necessary research and work projects;

(c) Maintain effective and reliable communications and cooperation within the Office of International Affairs and with senior policy officials;

(d) Provide for the greatest effectiveness of his staff through careful selection, professional development and advancement of individuals, and maintenance of a high level of morale and of a professional approach to assigned tasks; and

(e) Provide for the greatest effectiveness of Treasury representatives abroad by: maintaining direct contact; furnishing information and guidance regarding Treasury policy and requirements; obtaining information, assistance, and advice as appropriate; and initiating personnel and administrative recommendations.

5. Responsibility for supervision of the Foreign Assets Control shall be in accordance with a separate Treasury Order on that subject of even date with this Order.

6. Nothing in this Order shall affect existing procedures, functions, duties, or responsibilities of any other organization within the Treasury Department.

DOUGLAS DILLON,
Secretary of the Treasury.

NO. 200, MARCH 18, 1963.—ORGANIZATIONAL CHANGES IN THE OFFICE OF THE ADMINISTRATIVE ASSISTANT SECRETARY OF THE TREASURY

Pursuant to authority vested in the Secretary of the Treasury by Reorganization Plan No. 26 of 1950, and to other authority vested in the Secretary of the Treasury which has been delegated to me (Treasury Department Order No. 190, Rev. 1, dated December 1, 1961), there is hereby established, effective March 18, 1963, the Office of Budget and Finance. This office is a part of the Office of the Secretary under the supervision and direction of the Administrative Assistant Secretary.

The personnel, records and property of the former Office of Budget, created by Treasury Department Order No. 67 of July 12, 1946, and the Systems Develop-

[1] Omitted from this exhibit; appendices are available in the Office of the Administrative Assistant Secretary.

ment Division of the Office of Management and Organization, established under Administrative Circular No. 55 of November 28, 1961, are hereby transferred to the Office of Budget and Finance.

The Systems Development Division is retitled the Fiscal Management Division, and the Office of Budget is retitled the Budget Staff.

There is also established, effective March 18, 1963, the Internal Audit Division within the Office of Management and Organization. The personnel, records, and property relating to the internal audit functions formerly under the Management Analysis Division are hereby transferred to the Internal Audit Division.

All previous orders concerning these former organizations remain in effect, and to the extent any previous orders are in conflict with the provisions of this order, they are hereby amended accordingly, including those specifically cited above.

A. E. WEATHERBEE,
Administrative Assistant Secretary.

Advisory Committees

EXHIBIT 42.—Advisory committees utilized by the Treasury Department under Executive Order 11007

During the fiscal year 1963, the Secretary of the Treasury found the formation or use by the Department of the following advisory committees to be in the public interest in accordance with the requirements of Executive Order 11007, dated February 26, 1962. The information concerning these committees is being published in the annual report in compliance with section 10 of the order.

Office of the Secretary

DEBT MANAGEMENT COMMITTEES

The Treasury Department, in connection with debt management duties, uses in an advisory capacity the services of a number of committees representing organizations which form a cross section of the American financial community. The committees meet periodically, at the invitation of the Treasury, to discuss and advise upon current and future Federal financings. The Treasury finds discussions with these advisory groups to be of great value, primarily in assessing the general market sentiment prior to a major refinancing of maturing obligations. Their recommendations are carefully considered by Treasury officials and serve as a part of the background environment for the final financing decisions. These committees are as follows:

- American Bankers Association, Government Borrowing Committee
- Investment Bankers Association of America, Governmental Securities Committee
- National Association of Mutual Savings Banks, Committee on Government Securities and the Public Debt
- Life Insurance Association of America and American Life Convention, Joint Economic Policy Committee
- U.S. Savings and Loan League, National League of Insured Savings Associations, Advisory Committee on Government Securities
- Independent Bankers Association, Government Fiscal Policy Committee

Four meetings were held with the Government Borrowing Committee of the American Bankers Association in fiscal 1963, on July 24–25, October 23–24, January 29–30, and April 23–24.

Membership of the Committee was as follows:

David M. Kennedy (Chairman)	Chairman, Continental Illinois National Bank and Trust Company of Chicago, Chicago, Ill.
Henry C. Alexander	Chairman, Morgan Guaranty Trust Company of New York, New York, N.Y.
Julian B. Baird	Chairman, The First National Bank of St. Paul, St. Paul, Minn.
S. Clark Beise	President, Bank of America N.T. & S.A., San Francisco, Calif.
George Champion	Chairman, The Chase Manhattan Bank, New York, N.Y.

Kenton R. Cravens	Chairman and Chief Executive Officer, Mercantile Trust Company, St. Louis, Mo.
Robert V. Fleming	Chairman, The Riggs National Bank of Washington, D.C., Washington, D.C.
Sam M. Fleming	President, Third National Bank, Nashville, Tenn.
Charles J. Gable, Jr.	Senior Vice President, The First Pennsylvania Banking and Trust Company, Philadelphia, Pa.
John M. Griffith	President, The City National Bank of Taylor, Taylor, Tex.
N. Baxter Jackson	Chairman, Executive Committee, Chemical Bank New York Trust Company, New York, N.Y.
William F. Kelley	President, The First Pennsylvania Banking and Trust Company, Philadelphia, Pa.
M. Monroe Kimbrel	Chairman, First National Bank, Thomson, Ga.
Frank L. King	Chairman, United California Bank, Los Angeles, Calif.
John J. Larkin	Vice President, First National City Bank, New York, N.Y.
Homer J. Livingston	Chairman, The First National Bank of Chicago, Chicago, Ill
John A. Mayer	President, Mellon National Bank and Trust Company, Pittsburgh, Pa.
George A. Murphy	Chairman, Irving Trust Company, New York, N.Y.
Reno Odlin	President, The Puget Sound National Bank, Tacoma, Wash.
F. Raymond Peterson	Chairman, First National Bank of Passaic County, Paterson, N.J.
James D. Robinson, Jr.	Chairman, The First National Bank of Atlanta, Atlanta, Ga.
James S. Rockefeller	Chairman, First National City Bank, New York, N.Y.
Earl B. Schwulst	Chairman, The Bowery Savings Bank, New York, N.Y.
Norfleet Turner	Chairman, The First National Bank of Memphis, Memphis, Tenn.
Joseph C. Welman	President, Bank of Kennett, Kennett, Mo.
Paul I. Wren	Executive Vice President, Old Colony Trust Company, Boston, Mass.
Charls E. Walker	Executive Vice President and Executive Manager, The American Bankers Association, New York, N.Y.
Harold L. Cheadle	Deputy Manager, The American Bankers Association, New York, N.Y.
William T. Heffelfinger	Federal Administrative Adviser, The American Bankers Association, Washington, D.C.
Leslie C. Peacock	Secretary, Economic Policy Committee, The American Bankers Association, New York, N.Y.

Four meetings were held with the Governmental Securities Committee of the Investment Bankers Association in fiscal year 1963, on July 24–25, October 23–24, January 29–30, and April 23–24.

Membership of the Committee was as follows:

George B. Kneass (Chairman 1961–62)	Senior Vice President, The Philadelphia National Bank, Broad and Chestnut Streets, Philadelphia, Pa.
Robert B. Blyth (Chairman)	First Vice President, The National City Bank, Cleveland, Ohio
Milton S. Bosley	Senior Vice President, National Bank of Detroit, Detroit, Mich.
Carl F. Cooke	Vice President, First Boston Corporation, New York, N.Y.

F. Newell Childs	President, C. F. Childs and Company, Inc., Chicago, Ill.
James A. Cranford	Executive Vice President, The Atlantic National Bank, Jacksonville, Fla.
Stewart A. Dunn	C. J. Devine and Company, New York, N.Y.
Lester H. Empey	Senior Vice President, Wells Fargo Bank American Trust Company, San Francisco, Calif.
W. Wayne Glover	Senior Vice President, United California Bank, Los Angeles, Calif.
H. Lyman Greer	Vice President, The Fifth Third Union Trust Company, Cincinnati, Ohio
Alfred H. Hauser	Senior Vice President, Chemical Bank New York Trust Company, New York, N.Y.
Hardin H. Hawes	Senior Vice President, Harris Trust and Savings Bank, Chicago, Ill.
Russell A. Kent	Vice President, Bank of America National Trust and Savings Association, San Francisco, Calif.
Frederick G. Larkin, Jr.	President, Security First National Bank, Los Angeles, Calif.
Ralph E. Leach	Senior Vice President and Treasurer, Morgan Guaranty Trust Company, New York, N.Y.
Pat G. Morris	Senior Vice President, The Northern Trust Company, Chicago, Ill.
Robert C. Morris	Vice President, Bankers Trust Company, New York, N.Y.
Emil J. Pattberg, Jr.	President, Chairman, Executive Committee, The First Boston Corporation, New York, N.Y.
John H. Perkins	Vice President, Continental Illinois National Bank and Trust Company, Chicago, Ill.
William W. Pevear	Vice President, Irving Trust Company, New York, N.Y.
Delmont K. Pfeffer	Senior Vice President, The First National City Bank of New York, New York, N.Y.
L. Sumner Pruyne	Senior Vice President, The First National Bank of Boston, Boston, Mass.
Herbert N. Repp	President, Discount Corporation of New York, New York, N.Y.
Robert B. Rivel	Vice President, The Chase Manhattan Bank, New York, N.Y.
Arthur W. Schlichting	Vice President, Bankers Trust Company, New York, N.Y.
Lockett Shelton	Vice President, Republic National Bank, Dallas, Tex.
Girard L. Spencer	Salomon Brothers and Hutzler, New York, N.Y.
William J. Wallace	Vice President, Mellon National Bank and Trust Company, Pittsburgh, Pa.
C. Richard Youngdahl	Aubrey G. Lanston and Company, Inc., New York, N.Y.
Murray Hanson	Managing Director and General Counsel, Investment Bankers Association of America, Washington, D.C.

Two meetings were held with the Committee on Government Securities and the Public Debt of the National Association of Mutual Savings Banks in fiscal 1963, on July 23 and May 16.

Membership of the Committee was as follows:

John W. Kress (Chairman)	President, The Howard Savings Institution, Newark, N.J.
Hermon J. Arnott	President, The Farmers and Mechanics Savings Bank of Minneapolis, Minneapolis, Minn.
Edward P. Clark	President, Arlington Five Cents Savings Bank, Arlington, Mass.
Carl G. Freese	Chairman of the Board, Connecticut Savings Bank, New Haven, Conn.

C. Lane Goss	Chairman of the Board, Worcester County Institution for Savings, Worcester, Mass.
William H. Harder	President, Buffalo Savings Bank, Buffalo, N.Y.
Maynard L. Harris	Chairman of the Board, Suffolk Franklin Savings Bank, Boston, Mass.
Howard L. Huxtable	President, Lynn Institution for Savings, Lynn, Mass.
August Ihlefeld	President, Savings Bank Trust Company, New York, N.Y.
Henry S. Kingman	Chairman of the Board, Farmers and Mechanics Savings Bank, Minneapolis, Minn.
William B. Licklider	President, The United States Savings Bank, Newark, N.J.
Richard L. Maloney	President, New York Savings Bank, New York, N.Y.
Edward F. McGinley, Jr.	President, Beneficial Mutual Savings Bank, Philadelphia, Pa.
Alfred C. Middlebrook	Senior Vice President, East River Savings Bank, New York, N.Y.
Barrett C. Nichols	Treasurer, Maine Savings Bank, Portland, Maine.
William H. Smith	President, Holyoke Savings Bank, Holyoke, Mass.
Levi P. Smith	Chairman of the Board, Burlington Savings Bank, Burlington, Vt.
Leo F. Stanley	Vice President, The New Haven Savings Bank, New Haven, Conn.
Benjamin P. Terry	Executive Vice President, Society of Savings, Hartford, Conn.
Dr. Grover W. Ensley	Executive Vice President, National Association of Mutual Savings Banks, New York, N.Y.
Saul B. Klaman	Staff Member, NAMSB Director of Research, NAMSB
George Hane	Assistant Director of Research, NAMSB

Two meetings were held with the Joint Economic Policy Committee of the Life Insurance Association of America and the American Life Convention in fiscal 1963, on July 10 and April 22.

Membership of the Committee was as follows:

Donald C. Slichter	President, Northwestern Mutual Life Insurance Company, Milwaukee, Wis.
O. Kelley Anderson	President, New England Life Insurance Co., Boston, Mass.
Orville E. Beal	President, Prudential Insurance Company of America, Newark, N.J.
Paul F. Clark	Chairman of the Board, John Hancock Mutual Life Insurance Company, Boston, Mass.
George T. Conklin, Jr.	Senior Vice President-Investments, The Guardian Life Insurance Company of America, New York, N.Y.
George B. Cook	President, Bankers Life Insurance Company of Nebraska, Lincoln, Nebr.
Frederick W. Ecker	Chairman of the Board, Metropolitan Life Insurance Company, New York, N.Y.
Howard Holderness	President, Jefferson Standard Life Insurance Company, Greensboro, N.C.
George P. Jenkins	Financial Vice President, Metropolitan Life Insurance Company, New York, N.Y.
Leland J. Kalmach	Chairman of the Board, Massachusetts Mutual Life Insurance Company, Springfield, Mass.
Richard K. Paynter	Chairman of the Board, New York Life Insurance Company, New York, N.Y.
Charles E. Phillips	President, Equitable Life Insurance Company, Washington, D.C.
T. A. Sick	President, The Security Mutual Life Insurance Company, Lincoln, Nebr.

Charles A. Taylor	President, Life Insurance Co., of Virginia, Richmond, Va.
R. J. Wetterlund	Chairman of the Board, Washington National Insurance Company, Evanston, Ill.
Frazar B. Wilde	Chairman of the Board, Connecticut General Life Insurance Company, Hartford, Conn.
James H. Windsor	President, Equitable Life Insurance Company of Iowa, Des Moines, Iowa

Staff Members of the Associations

American Life Convention:

W. Lee Shield, Executive Vice President, Chicago, Ill.
Alfred Guertin, Actuary, Chicago, Ill.
Glendon Johnson, General Counsel, Washington, D.C.
William Harman, Jr., Assistant General Counsel, Washington, D.C.
Arthur Fefferman, Director, Economic Analysis, Washington, D.C.

Life Insurance Association of America:

Bruce E. Shepard, Executive Vice President, New York, N.Y.
Eugene M. Thoré, General Counsel and Vice President, Washington, D.C.
James J. O'Leary, Vice President and Director of Economic Research, New York, N.Y.
Ralph J. McNair, Assistant Vice President, Washington, D.C.

Two meetings were held with the Advisory Committee on Government Securities in fiscal 1963, on July 9 and May 27–28.

Membership of the Committee was as follows:

Walter W. McAllister, Sr.	Chairman of Board, San Antonio Savings and Loan Association, San Antonio, Tex.
Edward C. Baltz	President, Perpetual Building Association, Washington, D.C.
Wilton T. Barney	President, Oritani Savings and Loan Association, Hackensack, N.J.
James E. Bent	President, Hartford Federal Savings and Loan Association, Hartford, Conn.
A. J. Bromfield	President, Western Federal Savings and Loan Association, Denver, Colo.
C. L. Clements	President, Chase Federal Savings and Loan Association, Miami Beach, Fla.
Carl F. Distelhorst	Winter Park, Fla.
William J. Dwyer	Chairman of Board, Franklin Society Federal Savings & Loan Association, New York, N.Y.
Richard G. Gilbert	Executive Vice President, The Citizens Savings Association, Canton, Ohio
L. W. Grant, Jr.	Chairman of Board, Home Federal Savings and Loan Association, Tulsa, Okla.
Harold P. Halleen	President, Bell Savings and Loan Association, Chicago, Ill.
Raymond P. Harold	President, Worcester Federal Savings and Loan Association, Worcester, Mass.
Henry P. Irr	President, Baltimore Federal Savings and Loan Association, Baltimore, Md.
Roy M. Marr	President, Leader Federal Savings and Loan Association, Memphis, Tenn.
Everett C. Sherbourne	President, City Federal Savings and Loan Association, Elizabeth, N.J.
A. D. Theobald	President, First Federal Savings and Loan Association, Peoria, Ill.
Gerrit Vander Ende	President, Pacific First Federal Savings and Loan Association, Tacoma, Wash.
Charles A. Wellman	President, American Savings and Loan Association, Whittier, Calif.
Paul Westerfield	President, Home Federal Savings and Loan Association, Cincinnati, Ohio

W. C. Warman	Staff Vice President, U.S. Savings and Loan League, Chicago, Ill.
William J. Kerwin	Director of Public Affairs, National League of Insured Savings Associations, Washington, D.C.
James A. Hollensteiner	Assistant Vice President, U.S. Savings and Loan League, Chicago, Ill.

A meeting was held with the Government Fiscal Policy Committee of the Independent Bankers Association on May 20, 1963.

Membership of the Committee was as follows:

O. K. Johnson, Chairman	President, Whitefish Bay State Bank, Milwaukee, Wis.
Howard Parshall	President, Bank of Commonwealth, Detroit, Mich.
J. Clifford Ourso	President, American Bank and Trust Co., Baton Rouge, La.
S. E. Babington	President, Brookhaven Bank and Trust Co., Brookhaven, Miss.
Lee M. Stenehjem	Executive Vice President, First International Bank of Watford City, Watford City, N. Dak.
Ralph L. Zaun	Executive Vice President, Grafton State Bank, Grafton, Wis.
Gene Moore	Independent Bankers Association, Sauk Centre, Minn.
C. Herschell Schooley	Washington Office, Independent Bankers Association, Washington, D.C.

STEERING COMMITTEE ON CUSTOMS PROCEDURES

This Committee was established by letter from the Secretary of the Treasury to Assistant Secretary James A. Reed on February 27, 1962.

The function of the Committee was to evaluate and recommend the action to be taken on the Citizen's Task Force Study and Report dated January 1962, on the inspection of passengers and their baggage.

The Committee met in fiscal 1962 on July 27, and submitted its final report on September 20, 1962.

Committee members included representatives of the Bureau of Customs, the Department of Commerce, and Mr. John J. Murphy, President, National Customs Service Association, Annapolis, Md.

THE SECRETARY OF THE TREASURY'S COMMITTEE ON TANKER HAZARDS

This Committee was established by letters of the Secretary of the Treasury dated April 10, 1962, addressed to the Commandant of the U.S. Coast Guard and to certain persons requested to serve as members of the Committee.

The chairman is Professor H. L. Seward, who serves as a Treasury consultant on the days when he acts as chairman, and the other members include representatives of the Coast Guard, and of the Navy, Interior, and Commerce departments, the American Bureau of Shipping, and the National Fire Protection Association. A Coast Guard representative acts as secretary and prepares the agenda and calls the meetings.

The function of the Committee is to collect, study, and make recommendations with respect to the operation and navigation of tank vessels with one or more of their cargo tanks in empty condition. The study is to encompass every aspect of gas freeing or inerting of empty cargo tanks, to evaluate proposals for assuring safety on such vessels, and to recommend a national policy with respect to these objectives.

Meetings were held by the Committee on July 9, 23, August 13, September 10, 24, October 8, 22, November 26, December 10, January 15, 21, 28, February 11, 25, March 5, 11, 25, April 8, 22, 29, May 7, 15, 22, and June 4, 20, and 27.

Membership of the Committee in fiscal 1963 was as follows:

Prof. H. L. Seward (Chairman)	Professor Emeritus, Department of Maritime Economics, U.S.C.G. Academy, Old Saybrook, Conn.

Capt. B. D. Shoemaker, Jr., U.S.C.G. (Secretary July 1–August 16) Capt. W. R. Sayer, U.S.C.G. (Secretary August 17–March 14)	Executive Secretary, Merchant Marine Council, U.S.C.G. Headquarters, Washington, D.C.
Lt. Clyde T. Lusk, Jr., (Secretary March 15–June 30)	Merchant Marine Council Staff, U.S.C.G. Headquarters, Washington, D.C.
Arthur R. Gatewood	President, American Bureau of Shipping, New York, N.Y.
Dr. Glen H. Damon	Staff Research Coordinator, Bureau of Mines, Department of Interior, Washington, D.C.
L. C. Hoffman	Chief, Office of Ship Construction, Maritime Administration, Department of Commerce, Washington, D.C.
E. Carroll Creitz	Fire Research Section, National Bureau of Standards, Department of Commerce, Washington, D.C.
Charles Morgan	Assistant General Manager, National Fire Protection Association, Boston 10, Mass.
Dr. Homer Carhart	Head, Fuels Branch, Naval Research Laboratory, Department of Navy, Washington, D.C.
Richard Parkhurst	Retired Commissioner, U.S. Maritime Commission, Winchester, Mass.
Capt. William S. Vaughn, U.S.C.G.	Chief, Testing and Development Division, Office of Engineering, U.S. Coast Guard Headquarters, Washington, D.C.

Comptroller of the Currency

THE ADVISORY COMMITTEE ON BANKING TO THE COMPTROLLER OF THE CURRENCY

The Comptroller of the Currency established an Advisory Committee to conduct "a comprehensive study of the functioning of our National Banking System." The inquiry was to "be centered on those laws, policies, practices and procedures which no longer serve, and indeed may obstruct, attainment of the requirements of today and of the future" to insure that our commercial banking system responds promptly and sensitively to the growing and changing needs of our industry and commerce, and of our Government.

The Committee consisted of 24 members, including 2 State bank officers, 3 attorneys with specialized experience in banking law, and a selection of National Bank officers from all regions of the United States, representing large, medium, and small banks. The Comptroller of the Currency, the Chief Counsel of his office, and the Economist to the Comptroller, served as ex officio members of the Committee. The Chief of Staff of the Senate Banking and Currency Committee and the Clerk and Chief Counsel of the House Banking and Currency Committee were invited to participate as observers at sessions of the Advisory Committee. The Committee served as an independent advisory body to the Comptroller of the Currency, and each nongovernmental member acted in his personal capacity without regard to his affiliation with any association or organization.

The Advisory Committee on Banking met in fiscal 1963 on July 11, 16–17, 23–24, August 2, 3, and August 20–21. The Committee submitted its final report to the President on September 20, 1962.

Membership of the Committee in the fiscal year 1963 was as follows:

Frank E. McKinney, Chairman.	Chairman of the Board, American Fletcher National Bank and Trust Co., Indianapolis, Ind.
Reed H. Albig	President, The National Bank of McKeesport, McKeesport, Pa.
S. Clarke Beise	President, Bank of America, National Trust and Savings Association, San Francisco, Calif.
W. C. Blewster	President, First National Bank of Magnolia, Magnolia, Ark.
H. W. Bourgeois	President, Union National Bank of Lowell, Lowell, Mass.

Frank M. Browning	President, Bank of Utah, and Chairman, Bank of Ben Lomond, Ogden, Utah.
Goodwin Chase	Chairman and President, National Bank of Washington, Tacoma, Wash.
John D. Chisholm	President, Olmsted County Bank and Trust Co., Rochester, Minn.
Frank R. Denton	Vice Chairman, Mellon National Bank & Trust Company, Pittsburgh, Pa.
Manuel Gale	President, The Peoples National Bank of Keyport, Keyport, N.J.
Donald M. Graham	Vice Chairman, Board of Directors, Continental Illinois National Bank and Trust Co., Chicago, Ill.
Sherman Hazeltine	Chairman, First National Bank of Arizona, Phoenix, Ariz.
Joseph F. Hogan	First Vice President, Crocker-Anglo National Bank, San Francisco, Calif.
H. J. Humpert	President, First National Bank & Trust Co. of Covington, Covington, Ky.
Jay. G. Larson	Executive Vice President (Retired), Seattle First National Bank, Seattle, Wash.
Robert E. McKean	Dickinson, Wright McKean, & Cudlip, Detroit, Mich.
Tom Miller, Jr.	Vice President, American National Bank of Austin, Austin, Tex.
George S. Moore	President, First National City Bank, New York, N.Y.
Robert Neill	Thompson, Mitchell, Douglas, & Neill, St. Louis, Mo.
E. H. Ould	President, The First National Exchange Bank of Roanoke, Roanoke, Va.
Edward J. Ruetz	Chairman and President, Kenosha National Bank, Kenosha, Wis.
John A. Seliskar	Vice President, Central National Bank of Cleveland, Cleveland, Ohio
Frank Smathers, Jr.	President, Miami Beach First National Bank, Miami Beach, Fla.
Carroll R. Wetzel	Barnes, Dechert, Price, Myers, & Rhoads, Philadelphia, Pa.
Maurice R. Kirkwood, Secretary	Assistant Vice President, American Fletcher National Bank and Trust Co., Indianapolis, Ind.

Staff assistants to the Committee during the fiscal year were:

John J. Downes	Assistant to the Chairman of the Board, Crocker-Anglo National Bank, San Francisco, Calif.
Jac Friedgut	First National City Bank, New York, N.Y.
Robert P. Mayo	Vice President, Continental Illinois National Bank & Trust Co., Chicago, Ill.

Commissioner of Internal Revenue

ADVISORY GROUP TO THE COMMISSIONER OF INTERNAL REVENUE

This Group was established by the Commissioner of Internal Revenue on June 17, 1959.

This Committee which represents professional and other private groups concerned with Federal taxation provides constructive criticism of Internal Revenue policies and procedures and suggests ways in which the Service can improve its operations.

Meetings of the Group were held in the fiscal year 1963 on December 19–20, March 14–16, and June 6–8.

Membership during the fiscal year was as follows:

Walter Blum	University of Chicago, Chicago, Ill.
Marvin K. Collie	Vinson, Elkins, Weems & Searls, Houston, Tex.
Louis Eisenstein	Arnold, Fortas & Porter, Washington, D.C.
Richard B. Goode	The Brookings Institution, Washington, D.C.
W. Croft Jennings	Roberts, Jennings, Thomas and Lumpkin, Columbia, S.C.
Hover T. Lentz	Dawson, Nagel, Sherman, & Howard, Denver, Colo.
Eugene J. Patton	Peat, Marwick, Mitchell Company, New York, N.Y.
Mark E. Richardson	Lybrand, Ross Bros. & Montgomery, New York, N.Y.
Wilbur J. Schraner	Van Nuys, Calif.
Louis Schreiber	E. I. du Pont de Nemours & Co., Wilmington, Del.
Henry L. Shepherd	Shepherd, Murtha & Merritt, Hartford, Conn.
James F. Thornburg	Oare, Thornburg, McGill & Deahl, South Bend, Ind.

TREASURY-INTERNAL REVENUE SERVICE COMMITTEE ON STATISTICS

The Commissioner of Internal Revenue established this Committee on March 30, 1962.

The Committee is expected to make suggestions concerning appropriate statistical and economic information to be obtained from income tax returns.

The Committee consists of economists and statisticians, representing private associations and universities; and Government representatives, who are the Assistant Commissioner for Planning and Research, Internal Revenue Service, who acts as chairman, the Director of the Statistics Division, Internal Revenue Service, who acts as executive secretary, two members of the Office of Tax Analysis of the Office of the Secretary of the Treasury, and representatives of the Commerce Department and the Bureau of the Budget; and two representatives from congressional committees, the Joint Economic Committee and the Joint Committee on Internal Revenue Taxation.

Meetings of this Committee were held in fiscal 1963 on October 1 and April 29.

Membership in the fiscal year 1963 was as follows:

Harvey E. Brazer	Deputy Assistant Secretary and Director, Office of Tax Analysis, Treasury Department, Washington, D.C.
Warren N. Cordell (alternate—Roye L. Lowry)	Federal Statistics Users' Conference, Washington, D.C.
Raymond W. Goldsmith	Yale University, New Haven, Conn.
Daniel M. Holland	School of Industrial Management, Massachusetts Institute of Technology, Cambridge, Mass.
Hendrik S. Houthakker	Harvard University, Cambridge, Mass.
George Jaszi	Assistant Director, Office of Business Economics, Department of Commerce, Washington, D.C.
James W. Knowles	Joint Economic Committee, Washington, D.C.
Raymond Nassimbene	Office of Statistical Standards, Bureau of the Budget, Washington, D.C.
Guy H. Orcutt	University of Wisconsin, Madison, Wis.
Almarin Phillips	Graduate School of Business Administration, University of Virginia, Charlottesville, Va.
Chester B. Pond (alternate—Leonard F. Requa, Jr.)	Director, Research and Statistics Bureau, N.Y. State Department of Taxation and Finance, Albany, N.Y.
James H. Symons	Joint Committee on Internal Revenue Taxation, Washington, D.C.
Norman B. Ture	Director of Tax Studies, National Bureau of Economic Research, New York, N.Y.

U.S. Coast Guard

CHEMICAL TRANSPORTATION ADVISORY PANEL

This Panel, established on May 4, 1949, acts as an advisory body on matters concerned with the bulk transportation of chemicals or hazardous cargo. Such expert advice from industry is mandatory to keep current and effective the dangerous cargo, tank vessel, cargo, and other associated regulations promulgated and enforced by the Coast Guard. It has been estimated that approximately 400 new chemicals are marketed annually in the United States.

This Panel met during the fiscal year 1963 on January 11 and March 18–19, 1963. Membership of the Panel for fiscal 1963 follows:

Oliver E. Beutel, Chairman	Manager, Distribution and Traffic, The Dow Chemical Co., Midland, Mich.
C. H. Mayhood, Secretary	Transportation Engineer, Manufacturing Chemists' Association, Inc., Washington 9, D.C.
George R. Benz	Manager, Chemical Engineering Division, Research and Development Department, Phillips Petroleum Co., Bartlesville, Okla.
J. C. Clarke	Vice President, Marine Transport Lines, Inc., New York 4, N.Y.
R. W. Krieger	President, Jeffersonville Boat and Machine Co., Jeffersonville, Ind.
T. J. Lengyel	Supervisor, Technical Operations, Shell Oil Co., New York 20, N.Y.
R. B. Mitchell	Chemical Carriers, Inc., New York 4, N.Y.
A. D. Mookhoek	Project Engineer, Marine Division, Humble Oil and Refining Co., Houston, Tex.
T. W. Rodes	Plant Superintendent, Union Carbide Chemicals Co., Carteret, N.J.
Sydney Swan	Principal Surveyor, American Bureau of Shipping, New York 4, N.Y.
James E. Weaver	Manager of Transportation, Pittsburgh Plate Glass Co., Pittsburgh 22, Pa.
R. J. Wheeler	Asst. Director, Marine Transportation, Phillips Petroleum Co., Bartlesville, Okla.
	Ex Officio Members:
M. F. Crass, Jr.	Secretary-Treasurer, Manufacturing Chemists' Association, Inc., Washington 9, D.C.
F. R. Fetherston	Secretary-Treasurer, Compressed Gas Association, Inc., New York 36, N.Y.
B. H. Lord, Jr.	Director, Division of Transportation, American Petroleum Institute, Washington 6, D.C.
Robert L. Mitchell, Jr.	Secretary-Treasurer, The Chlorine Institute, Inc., New York 17, N.Y.

NATIONAL OFFSHORE OPERATIONS PANEL

This Panel was established on December 15, 1959, to advise the U.S. Coast Guard on matters related to the highly specialized construction and operation of geophysical survey vessels, drilling platforms, and associated vessels and barges.

Members of the Panel which met in fiscal 1963 on October 10, 1962, were:

R. T. Sessums, Chairman	Assistant Vice President, Freeport Sulphur Co., New Orleans 5, La.
A. E. L. Morris, Vice Chairman	Manager, Exploration, Pauley Petroleum, Inc., Los Angeles 25, Calif.
H. E. Denzler, Jr., Secretary	Assistant to General Superintendent, Transportation, The California Co., Harvey, La.
R. C. Barbour	Manager of Production, Humble Oil and Refining Co., Houston, Tex.
E. E. Clark	Superintendent, Production Department, Phillips Petroleum Co., Santa Barbara, Calif.

J. L. Coulson	District Production Manager, Gulf Oil Corp., New Orleans 11, La.
J. C. Craig	General Superintendent, Continental Oil Co., Houston 1, Tex.
R. N. Crews	Vice President and Chief Engineer, J. Ray McDermott and Co., Inc., New Orleans 12, La.
J. T. Crooker	Manager, Producing Department, Standard Oil Co. of California, Western Operations, Inc., La Habra, Calif.
E. J. Deu Pree	Vice President and General Manager Production, The California Co., New Orleans 12, La.
James W. Greely	Kerr-McGee Oil Industries, Inc., Morgan City, La.
W. H. Henderson	Chairman, Gulf Offshore Marine Service Association, Belle Chasse, La.
Daniel S. Johnston	Vice President, Signal Oil and Gas Co., Los Angeles, Calif.
M. E. Lundfelt	Assistant General Manager, Marine Department, Texaco, Inc., New York 17, N.Y.
J. W. Pittman	Manager Production Department, Shell Oil Co., New Orleans 3, La.
R. O. Pollard	Manager, Production Department, Richfield Oil Co., Long Beach 5, Calif.
G. S. Young, Jr.	Producing Superintendent, Lafayette Producing Institute, Lafayette, La.

OIL POLLUTION PANEL

The Oil Pollution Panel, established on August 3, 1954, acts as an advisory body on pollution problems and obtains views as means of eliminating the oil pollution of the seas and seacoasts. All members are directly connected with the operation of commercial vessels.

The members of the Panel, who met in fiscal 1963 on September 6, 1962, were:

Captain R. E. Mackey, Chairman	Assistant Operations Manager, Marine Department, Texaco, Inc., New York 17, N.Y.
Captain R. C. Skinner, Vice Chairman	General Operating Manager, United States Lines Co., New York 11, N.Y.
Captain A. H. Stephens, Vice Chairman	Assistant Manager, Operating Division, California Shipping Co., San Francisco 20, Calif.
Mr. G. C. Charlton, Secretary	American Merchant Marine Institute, Inc., New York 4, N.Y.
Captain Richard J. Anderson	Port Captain, Prudential Lines, Inc., New York 4, N.Y.
Captain William G. Anderson	Manager of Operations, The Atlantic Refining Co., Philadelphia 1, Pa.
Mr. William G. Bolger	Manager, Administration and Transportation, Ocean Tanker Department, The American Oil Co., New York 17, N.Y.
Captain M. Breece	Manager, Port of New York Office, Marine Division, Humble Oil and Refining Co., Bayonne, N.J.
Captain Herbert S. Brewster	Director of Operations, Marine Department, Gulf Oil Corp., New York 4, N.Y.
Captain John R. Cain	Port Captain, American Export Lines, Inc., Hoboken, N.J.
Captain J. W. Dickover	Vice President, States Steamship Co., San Francisco, Calif.
Mr. William Dignes	Port Engineer, Farrell Lines, Inc., New York 4, N.Y.
Captain G. H. Eppelman	Marine Superintendent, United Fruit Co., New York 6, N.Y.
Captain T. Fender	Superintendent, Inland Division, Socony-Mobil Oil Co., Inc., New York 17, N.Y.

Captain George Larimer	Port Captain, Sun Oil Co., Marcus Hook, Pa.
Captain R. B. Madden	American President Lines, Ltd., San Francisco 4, Calif.
Mr. Joseph W. McDiarmid	Marine Superintendent, Isthmian Lines, Inc., New York 4, N.Y.
Mr. J. A. Taggart	Assistant Port Engineer, Grace Line, Inc., New York 11, N.Y.
Captain C. C. Williams	Manager, Operating Department, Keystone Shipping Co., Philadelphia, Pa.

SHIP STRUCTURE COMMITTEE

This Committee was established by memorandum dated July 3, 1962, from the Secretary of the Treasury to the Commandant of the U.S. Coast Guard.

The functions of the Committee are to conduct a research program to improve the hull structures of ships and to integrate and interpret the results to all member agencies. This information is then distributed to all persons interested in the building and operating of ships.

The members of the Ship Structure Committee, which met in fiscal 1963 on May 28, 1963, were as follows:

Rear Admiral J. A. Alger, USCG	Chief of Staff, U.S. Coast Guard Headquarters, Washington, D.C.
Rear Admiral T. J. Fabik, USCG	Chief, Office of Engineering, U.S. Coast Guard Headquarters, Washington, D.C.
Rear Admiral F. B. Schultz, USN	Assistant Chief, Bureau for Design, Shipbuilding, and Fleet Maintenance, Bureau of Ships, Navy Department, Washington, D.C.
Rear Admiral J. A. Brown, USN	Assistant Chief, Bureau for Design, Shipbuilding, and Fleet Maintenance, Bureau of Ships, Navy Department, Washington, D.C.
Captain T. M. Davis, USN	Maintenance and Repair Officer, MSTS, Navy Department, Washington, D.C.
L. C. Hoffman	Chief, Office of Ship Construction, Maritime Administration, Department of Commerce, Washington, D.C.
E. M. MacCutcheon	Chief, Office of Research and Development, Maritime Administration, Department of Commerce, Washington, D.C.
David P. Brown	President, American Bureau of Shipping, New York 4, N.Y.
D. B. Bannerman, Jr.	Vice President, American Bureau of Shipping, New York 4, N.Y.

TABLES

NOTE.—Details of figures may not add to totals because of rounding.

Bases of Tables

The figures in this report are shown on the basis of: (a) The *Daily Statement of the United States Treasury;* (b) the *Monthly Statement of Receipts and Expenditures of the United States Government;* (c) warrants issued; (d) public debt accounts; and (e) administrative accounts and reports. Where no basis is indicated, the figures are derived from administrative reports prepared according to various specifications. Where more than one basis is used in a single table covering a period of years, the date of the change in basis is stated. The term "security," wherever used in the various tables, means any obligation issued pursuant to law for valuable consideration and includes bonds, notes, certificates of indebtedness, debentures, and other evidences of indebtedness.

Following are general explanations of the various bases. For background on the first two bases (the daily and monthly statements) see exhibits 69, 70, and 71 in the 1954 annual report; and for the third (warrants issued) see 1962 annual report, page 502.

Daily Statement of the United States Treasury

The daily Treasury statement was the basis for receipts, expenditures, and the resulting surplus or deficit shown in this report for the fiscal years 1916–52, and from 1916 to present it has been the basis for much of the public debt data and all of the figures on the account of the Treasurer of the United States. Since 1916 the daily statement has been based on bank transcripts (summarizing charges for checks paid and credits for deposits on the books of the banks) cleared and processed through the accounts of the Treasurer's office in Washington. Telegraphic reports are used to provide more timely data for certain major types of information pending receipt of the bank transcripts. For the fiscal years 1946–52, expenditures for agencies using the facilities of the Treasury Department's Division of Disbursement were shown on the basis of reports of checks issued. Total expenditures, however, as well as expenditures for the military departments and other agencies using their own disbursing facilities, were on the basis of bank transcripts cleared.

During the time it served as the basis for the budget results, the daily statement covered certain transactions processed through commercial bank accounts held in the name of Government officers other than the Treasurer of the United States, and included intragovernmental and other noncash transactions. The present daily Treasury statement reports the status of the Treasurer's account and summarizes the various transactions representing deposits and withdrawals in that account, excluding noncash transactions (with minor exceptions) and transactions involving cash held outside the Treasurer's account. Only a limited number of deposit and withdrawal classifications are shown. These data do not purport to represent budget results.

Monthly Statement of Receipts and Expenditures of the United States Government

Beginning with the figures for the fiscal year 1953, this monthly statement replaced the daily statement as the primary source of administrative budget results (surplus or deficit) and other receipt and expenditure data classified by type of account. This statement shows all receipts and expenditures of the Government including those made from cash accounts held outside the Treasurer's account. The information in the monthly statement is based on the central accounts relating to cash operations (see "Description of Accounts Relating to Cash Operations", below).

Warrants issued

Receipt and expenditure data shown for fiscal years before 1916 were taken from reports based on warrants issued.

For receipts, covering warrants were prepared from certificates of deposit mailed to the Treasury, principally by Government depositaries, showing de-

posits received. The figures thus compiled were on a "warrants-issued" basis. Since these certificates did not reach the Treasury simultaneously, all receipts for a fiscal year could not be covered into the Treasury by warrant of the Secretary immediately upon the close of the fiscal year. Therefore, certain certificates of deposit representing amounts deposited during one fiscal year were reported as the next year's receipts.

Reports of expenditures were based on the amount of accountable and settlement warrants issued and charged to appropriation accounts. Since accountable warrants covered advances to disbursing officers, rather than actual payments, reported expenditures necessarily included the changes in balances of funds remaining unexpended to the credit of disbursing officers at the close of the fiscal year.

Public debt accounts

The figures reported on this basis represent transactions which have been audited by the Bureau of the Public Debt. It is sometimes several months after a financing operation before all the transactions have been reported and audited. Therefore, the public debt figures on this basis differ from those reported in the daily Treasury statement since the latter consist of transactions cleared through the Treasurer's account during the reporting period (see explanation under "Daily Statement of the United States Treasury," above). A reconciliation of figures on the two bases is given in table 32.

Administrative accounts and reports

Certain tables in this report are developed from the accounts, records, and reports of the administrative agencies concerned, which may be on various bases. These tables include internal revenue collections, customs statistics, foreign currency transactions in the accounts of the Secretary of the Treasury, and balance sheets, statements of income and expense, and source and application of funds of public enterprise funds.

Description of Accounts Relating to Cash Operations

The classes of accounts maintained in connection with the cash operations of the Federal Government, exclusive of public debt operations, include: (1) The accounts of fiscal officers or agents, collectively, who receive money for deposit in the U.S. Treasury or for other authorized disposition or who make disbursements by drawing checks on the Treasurer of the United States or by effecting payments in some other manner; (2) the accounts of administrative agencies which classify receipt and expenditure (disbursement) transactions according to the individual receipt, appropriation, or fund account; and (3) the accounts of the Treasurer of the United States whose office, generally speaking, is responsible for the receipt and custody of money deposited by fiscal officers or agents, for the payment of checks drawn on the Treasurer, and the payment of public debt securities redeemed. A set of central accounts is maintained in the Treasury Department for the purpose of consolidating financial data reported periodically from these three sources in order to present the results of cash operations in central financial reports on a unified basis for the Government as a whole, and as a means of internal control.

The central accounts relating to cash operations disclose monthly and fiscal year information on: (1) The Government's receipts by principal sources, and its expenditures according to the different appropriations and other funds involved; and (2) the cash transactions, classified by types, together with certain directly related assets and liabilities which underlie such receipts and expenditures. The accounting for receipts is substantially on the basis of collections (i.e. as of the time cash receipts are placed under accounting control), and that for expenditures is substantially on the basis of checks issued (and cash payments made) except that since June 1955 interest on the public debt has been on an accrual basis. The structure of the accounts provides for a reconciliation, on a firm accounting basis, between the published reports of receipts and expenditures for the Government as a whole and changes in the Treasurer's cash balance by means of such factors as checks outstanding, deposits in transit, and cash held outside the Treasury. Within the central accounts, receipt and expenditure accounts are classified as described in the following paragraphs.

Administrative budget accounts

General fund accounts.—General fund receipt accounts are credited with all receipts which are not earmarked by law for a specific purpose. General fund receipts consist principally of internal revenue collections, which include income taxes, excise taxes, estate, gift, and employment taxes. The remainder consist of customs duties and a large number of miscellaneous receipts, including fees for permits and licenses; fines, penalties, and forfeitures; interest and dividends; rentals; royalties; sale of Government property; and seigniorage. General fund expenditure accounts are established to record amounts appropriated by the Congress to be expended for the general support of the Government.

Special fund accounts.—Special fund accounts are credited with receipts from specific sources which are earmarked by law for a specific purpose, but which are not generated from a cycle of operations.

Revolving fund accounts.—These are funds authorized by specific provisions of law to finance a continuing cycle of operations in which expenditures generate receipts, and the receipts are available for expenditure without further action by Congress. They are classified as (a) public enterprise funds where receipts come primarily from sources outside the Government and (b) intragovernmental funds where receipts come primarily from other appropriations or funds. Treasury reports generally show the net effect of operations (excess of disbursements or collections and reimbursements for the period) on the administrative budget surplus or deficit.

Management fund accounts (including consolidated working funds).—These are working fund accounts authorized by law to facilitate accounting for and administration of intragovernmental activities (other than a continuing cycle of operations) which are financed by two or more appropriations.

Other accounts

Trust fund accounts.—These are accounts maintained to record the receipt and expenditure of moneys held in trust by the Government for use in carrying out specific purposes or programs in accordance with the terms of a trust agreement or statute. The receipts of many trust funds, especially the major ones, to the extent not needed for current payments, are invested in public debt securities and other Government agency securities. Generally, trust fund accounts consist of separate receipt and expenditure accounts, but when the trust corpus is established to perform a business-type operation, the fund entity is called a "trust revolving fund" and a combined receipt and expenditure account is used.

Deposit fund accounts.—Deposit funds are combined receipt and expenditure accounts established to account for receipts that are either (a) held in suspense temporarily and later refunded or paid into some other fund of the Government upon administrative or legal determination as to the proper disposition thereof, or (b) held by the Government as banker or agent for others and paid out at the direction of the depositor.

Summary of

TABLE 1.—*Summary of fiscal operations,*

[On basis of daily Treasury statements through 1952; thereafter on basis of "Monthly Statement

Fiscal year or month	Administrative budget receipts and expenditures			Trust account and other transactions, net receipts, or expenditures (—)[4]	Clearing account[5]
	Net receipts[2]	Expenditures[3]	Surplus, or deficit (—)		
1932	$1,923,891,824	$4,659,181,532	—$2,735,289,708	—$5,178,050	
1933	1,996,843,833	4,598,495,918	—2,601,652,085	—5,009,989	
1934	3,014,969,799	6,644,601,741	—3,629,631,943	834,880,108	
1935	3,705,955,600	6,497,007,700	—2,791,052,100	402,724,190	
1936	3,997,058,975	8,421,608,205	—4,424,549,230	187,063,025	
1937	4,955,612,556	7,733,033,270	—2,777,420,714	3,314,169	
1938	5,588,011,873	6,764,628,471	—1,176,616,598	98,934,030	
1939	4,979,065,958	8,841,223,998	—3,862,158,040	1,209,673,564	
1940	5,137,249,771	9,055,268,931	—3,918,019,161	442,538,143	
1941	7,095,676,052	13,254,948,411	—6,159,272,358	907,790,781	
1942	12,546,618,755	34,036,861,487	—21,490,242,732	—1,612,785,695	
1943	21,947,283,157	79,367,713,522	—57,420,430,365	—337,796,138	
1944	43,562,609,460	94,986,002,002	—51,423,392,541	—2,221,918,654	
1945	44,362,020,944	98,302,937,069	—53,940,916,126	791,293,666	
1946	39,649,870,986	60,326,041,595	—20,676,170,609	—523,587,210	
1947	39,677,167,024	38,923,379,364	753,787,660	—1,102,524,942	$554,706,981
1948 [8]	41,374,701,989	32,955,232,145	8,419,469,844	—294,342,662	—507,106,039
1949 [8]	37,662,972,939	39,474,412,987	—1,811,440,048	—494,733,365	366,441,900
1950	36,421,934,577	39,544,036,935	—3,122,102,357	99,137,360	482,656,886
1951	47,480,067,075	43,970,284,450	3,509,782,624	679,223,478	—214,140,135
1952	61,286,560,916	65,303,201,294	—4,016,640,378	147,077,201	—401,389,312
1953	64,670,584,424	74,119,797,882	—9,449,213,457	434,671,979	—249,920,729
1954	64,420,034,061	67,537,000,317	—3,116,966,256	327,762,083	—303,126,484
1955	60,208,508,692	64,388,737,614	—4,180,228,921	231,296,942	283,518,269
1956	67,849,951,339	66,224,397,935	1,625,553,403	—193,580,583	521,955,153
1957	70,561,886,113	68,966,314,562	1,595,571,550	194,731,536	—522,892,840
1958	68,549,720,044	71,369,174,086	—2,819,454,041	632,513,036	530,045,771
1959	67,915,348,624	80,342,335,375	—12,426,986,751	—328,663,331	—5,750,464
1960	77,763,460,221	76,539,412,799	1,224,047,422	—49,526,275	—145,025,682
1961	77,659,424,906	81,515,167,454	—3,855,742,548	—602,403,079	507,346,821
1962	81,409,092,073	87,786,766,581	—6,377,674,508	435,641,579	448,422,413
1963	86,376,210,348	92,641,797,059	—6,265,586,711	96,541,467	196,017,584
1962-July	3,566,380,826	7,252,259,622	—3,685,878,796	208,020,972	—248,197,355
August	7,089,008,927	8,541,434,604	—1,452,425,677	—59,139,312	—303,587,002
September	10,053,118,091	7,326,533,690	2,726,584,401	—125,859,379	480,965,560
October	3,029,936,657	8,523,902,894	—5,493,966,237	—14,524,419	189,414,383
November	7,027,340,043	8,069,835,033	—1,042,494,989	106,042,362	—1,796,013,539
December	8,360,138,912	7,571,885,913	788,252,999	457,003,540	1,074,996,598
1963-January	5,532,575,347	8,012,773,381	—2,480,198,034	—125,869,154	635,225,335
February	7,304,822,203	6,763,139,373	541,682,830	403,904,912	—205,853,499
March	9,663,228,831	7,806,181,313	1,857,047,518	—270,318,172	864,258,675
April	5,735,483,573	7,589,549,937	—1,854,066,364	268,953,345	—259,919,765
May	6,953,307,654	7,469,707,100	—516,399,446	—222,730,464	—320,496,206
June	12,060,869,283	7,714,594,200	4,346,275,084	—528,942,765	85,224,399

[1] With the exceptions that public debt figures are on the basis of daily Treasury statements for all years shown and guaranteed obligations for 1934–39 are on the basis of public debt accounts and thereafter on the basis of daily Treasury statements. Public debt includes debt incurred to finance expenditures of certain wholly owned Government corporations and other business-type activities in exchange for which obligations of the corporations and activities were issued to the Treasury. (See table 111.)

[2] Total receipts less refunds of receipts and starting with fiscal 1937, less transfers of tax receipts to certain major trust accounts (as shown in table 3); beginning with 1932 exclusive of certain interfund transactions (also excluded from expenditures). See footnote 3.

[3] Expenditures are "net" after allowance for reimbursements to appropriations, receipts of revolving fund accounts, and receipts credited to disbursing accounts of corporations and agencies having authority to use collections without formal covering into the Treasury. The figures include transfers to trust accounts. Beginning with 1951, the net investments by wholly owned Government corporations and agencies in public debt securities are excluded from budget expenditures and are included in trust account and other transactions. The expenditure figures also exclude public debt retirements chargeable to the sinking fund, etc., under special provisions of law. Effective July 1, 1948, payments to the Treasury, principally by wholly owned Government corporations, for retirement of capital stock and disposition of earnings are excluded from both receipts and expenditures. Prior year adjustments of such payments are shown in the 1958 annual report, p. 396, table 2, footnote 3. Beginning with fiscal 1932, certain interfund transactions are excluded, as from net receipts. For interfund transactions excluded from both net budget receipts and expenditures beginning with 1932, see 1961 annual report pp. 450–457, and table 8, this report.

[4] Consists of transactions of trust and deposit fund accounts, net investments by Government agencies

Fiscal Operations

fiscal years 1932–63 and monthly 1963

of Receipts and Expenditures of the United States Government," see "Bases of Tables"]

Public debt, net increase, or decrease (−)	Balance in account of the Treasurer of the U.S., net increase, or decrease (−)	Amount, end of period				
		Balance in account of the Treasurer of the U.S.	Debt outstanding [1]			
			Public debt	Guaranteed obligations held outside the Treasury	Total	Subject to limitation [6]
$2, 685, 720, 952	−$54, 746, 805	$417, 197, 178	$19, 487, 002, 444	------------	$19. 487, 002, 444	(7)
3, 051, 670, 116	445, 008, 042	862, 205, 221	22, 538, 672, 560	------------	22, 538, 672, 560	(7)
4, 514, 468. 854	1, 719, 717, 020	2, 581, 922, 240	27, 053, 141, 414	$680. 767, 817	27. 733, 909, 231	(7)
1, 647, 751, 210	−740, 570, 701	1, 841, 345, 539	28, 700, 892, 625	4, 122, 684, 692	32, 823, 577, 316	(7)
5, 077, 650, 869	840, 164, 664	2, 681. 510. 204	33, 778, 543, 494	4, 718. 033, 242	38, 496, 576, 735	(7)
2, 646, 070, 239	−128, 036, 307	2, 553, 473, 897	36, 424, 613, 732	4, 664, 604, 533	41, 089. 218, 265	(7)
740, 126, 583	−337, 555, 984	2, 215. 917, 913	37, 164, 740, 315	4, 852. 791, 651	42, 017, 531, 967	$36, 881, 899, 956
3, 274, 792, 096	622. 307, 620	2, 838, 225, 533	40, 439, 532, 411	5, 450. 834, 099	45. 890. 366, 510	40, 371, 110. 606
2, 527, 998. 627	−947, 482, 391	1, 890, 743, 141	42, 967, 531, 038	5, 529, 070, 655	48, 496, 601, 693	43, 219, 123, 375
5, 993, 912. 498	742, 430, 921	2, 633, 174, 062	48, 961, 443, 536	6, 370, 252, 580	55, 331, 696, 116	49, 493, 588, 731
23, 461, 001, 581	357, 973, 154	2, 991, 147, 216	72, 422, 445, 116	4, 568, 259, 630	76, 990, 704, 746	74. 154, 457, 607
64, 273. 645, 214	6, 515. 418, 710	9, 506, 565, 926	136, 696, 090, 330	4, 099, 943, 046	140, 796. 033, 376	140. 469, 083, 742
64. 307, 296, 891	10, 661, 985, 696	20, 168, 551, 622	201, 003, 387, 221	1, 623. 069, 301	202. 626, 456, 522	208, 077, 255, 051
57, 678, 800, 189	4, 529. 177, 729	24, 697, 729, 352	258, 682, 187, 410	433, 158, 392	259, 115, 345, 802	268. 670, 763, 468
10, 739, 911, 763	−10,459,846,056	14, 237. 883, 295	269, 422. 099, 173	476, 384, 859	269, 898, 484, 033	268, 932, 355, 302
−11,135,716,065	−10,929,746,366	3. 308, 136, 929	258, 286, 383, 109	89, 520. 185	258, 375, 903, 294	257, 491, 416, 060
−5, 094, 136, 596	1, 623, 884, 548	4, 932, 021, 477	252, 292, 246, 513	73, 460, 818	252, 365, 707, 331	251, 541, 571, 385
478, 113, 347	−1, 461, 618, 165	3, 470, 403, 312	252, 770, 359, 860	27, 275, 408	252, 797, 635, 268	252, 027, 712, 585
4, 586, 992, 491	2, 046, 684, 380	5. 517, 087. 692	257, 357, 352, 351	19. 503, 034	257. 376, 855. 385	256, 652, 133, 429
−2, 135, 375, 536	1, 839, 490, 432	7, 356, 578. 123	255, 221, 976, 815	29, 227, 169	255. 251, 203, 984	254, 566, 629, 670
3. 883, 201, 970	−387, 750. 519	6, 968. 827, 604	259, 105, 178, 785	45. 565, 346	259, 150. 744, 131	258, 506, 598, 138
6, 965, 882, 853	−2, 298, 579, 356	4. 670, 248, 248	266, 071, 061, 639	52. 072, 761	266, 123. 134, 400	265, 521, 736, 381
5, 188, 537, 469	2. 096, 206, 813	6, 766, 455, 061	271, 259, 599, 108	81. 441, 386	271, 341, 040, 494	270, 790, 304. 616
3, 114, 623, 694	−550, 700. 014	[9] 6,215, 665, 047	274, 374, 222, 802	44, 142, 961	274, 418, 365. 763	273, 914, 849, 696
−1, 623, 409, 153	330, 518, 820	6, 546, 183, 868	272. 750, 813, 649	73, 888, 475	272, 824, 702, 124	272. 361, 216, 449
−2, 223, 641, 752	−956, 231, 505	5, 589, 952, 362	270, 527, 171, 896	107, 137. 950	270. 634, 300, 846	270, 188, 322, 086
5. 816, 045, 849	4, 159, 150 615	9, 749. 102, 977	276, 343, 217, 745	101, 220. 600	276, 444. 438, 345	276. 013, 439. 621
8, 362, 689, 332	−4, 398, 711, 214	5. 350, 391, 763	284, 705, 907, 078	111, 019. 150	284, 816. 926, 228	284. 398, 474, 090
1, 624, 853, 770	2, 654, 349, 235	8, 004, 740, 998	286, 330, 760, 848	139, 841, 775	286, 470, 602, 623	286, 064, 964, 324
2. 640, 177, 762	−1, 310, 621, 045	6, 694, 119, 954	288, 970, 938. 610	240. 215, 450	289, 211. 154, 060	288, 861. 862, 530
9, 229, 884, 111	3. 736, 273, 595	10, 430, 393. 549	298, 200. 822, 721	444, 218, 925	298, 645, 041, 646	298, 211, 767, 263
7, 658, 810, 276	1, 685, 782, 615	12, 116, 176,.163	305, 859, 632, 996	606, 610, 375	306, 466, 243, 371	306, 098, 500, 044
−324, 772, 528	−4, 050, 827, 707	6, 379, 565, 842	297, 876, 050, 193	447, 528, 700	298, 323, 578, 893	297, 890, 976, 530
3, 965, 891, 313	2, 150, 739, 322	8, 530, 305, 164	301, 841, 941, 507	469, 830, 100	302, 311, 771, 607	301, 937, 810, 262
−2, 343, 649, 075	738, 041, 508	9, 268, 346, 672	299, 498, 292, 432	487, 334, 675	299, 985, 627, 107	299, 612, 128, 323
2, 568, 747, 011	−2, 750, 329, 262	6, 518, 017, 410	302, 067, 039, 443	486, 387, 025	302, 553, 426, 468	302, 180, 942, 801
3, 323, 158, 609	590, 692, 443	7, 108, 709, 853	305, 390, 198, 052	502, 765, 875	305, 892, 963, 927	305, 521, 007, 732
−1, 920, 117, 563	400, 135, 574	7, 508, 845, 427	303, 470, 080, 489	517, 623, 400	303, 987, 703, 889	303, 616, 068, 737
−52, 913, 186	−2, 023, 755, 039	5, 485, 090, 388	303, 417, 167, 304	530, 908, 750	303, 948, 076, 054	303, 577, 251, 450
1, 221, 219, 313	1, 960, 953, 556	7, 446, 043, 944	304, 638, 386, 616	540, 983, 175	305, 179, 369, 791	304, 809, 048, 673
−1, 645, 427, 008	805, 561, 013	8, 251, 604, 957	302, 992, 959, 609	548, 424, 500	303, 541, 384, 109	303, 171, 874, 612
172, 784, 052	−1, 672, 248, 732	6, 579, 356, 226	303, 165, 743, 661	562, 377, 825	303, 728, 121, 486	303, 359, 381, 066
2, 038, 068, 282	978, 442, 167	7, 557, 798, 393	305, 203, 811, 943	576, 987, 575	305, 780, 799, 518	305, 412, 557, 268
655, 821, 053	4, 558, 377, 771	12, 116, 176, 163	305, 859, 632, 996	606, 610, 375	306, 466, 243, 371	306, 098, 500, 044

in public debt securities, and net redemptions or sales of obligations of Government agencies in the market. (See tables 5–7.) Investments by wholly owned Government corporations in public debt securities are included in budget expenditures before 1951. Retirements of national bank notes chargeable against the increment on gold (fiscal years 1935–39) are excluded.

[5] For checks outstanding and telegraphic reports from Federal Reserve Banks; public debt interest accrued and unpaid beginning with June and the fiscal year 1955 (previously included from November 1949 as interest checks and coupons outstanding); also deposits in transit and changes in cash held outside the Treasury and in certain other accounts beginning with the fiscal year 1954. For 1955, includes adjustment of −$207,183,858 for effect on balance in Treasurer's account of Post Office disbursing accounts reclassified in November 1954.

[6] A summary of legislation on debt limitation under the Second Liberty Bond Act, as amended, from Sept. 24, 1917, through June 30, 1963, is shown in table 38. Guaranteed securities held outside the Treasury are included in the limitation beginning Apr. 3, 1945. In computing statutory debt limitation, savings bonds are carried at maturity value from their origin in 1935 until June 26, 1946; from that date, as in the public debt outstanding, they are carried at current redemption value.

[7] Prior to May 26, 1938, the limitation applied to particular segments of the debt, not to the total.

[8] Excludes transfer of $3,000,000,000 in 1948 and includes transfer of a like amount in 1949 to the Foreign Economic Cooperation Trust Fund. (See table 2, footnote 9.)

[9] Includes adjustment of −$207,183,858 for reclassification in November 1954 of Post Office Department and postmaster's disbursing accounts (formerly treated as liability accounts of the Treasurer of the United States) to net expenditures on the basis of cash receipts and expenditures as reported by the Post Office Department.

Receipts and

TABLE 2.—*Receipts and expendi-*

[On basis of warrants issued from 1789 to 1915, and on basis of daily Treasury statements for 1916 through of the United States Government." General, special, emergency, and trust accounts combined from see "Bases of Tables"]

Year [1]	Receipts					
	Customs (including tonnage tax)	Internal revenue		Other receipts [2]	Total receipts [3]	Net receipts
		Income and profits taxes	Other			
1789-91	$4,399,473			$19,440	$4,418,913	
1792	3,443,071		$208,943	17,946	3,669,960	
1793	4,255,307		337,706	59,910	4,652,923	
1794	4,801,065		274,090	356,750	5,431,905	
1795	5,588,461		337,755	188,318	6,114,534	
1796	6,567,988		475,290	1,334,252	8,377,530	
1797	7,549,650		575,491	563,640	8,688,781	
1798	7,106,062		644,358	150,076	7,900,496	
1799	6,610,449		779,136	157,228	7,546,813	
1800	9,080,933		809,396	958,420	10,848,749	
1801	10,750,779		1,048,033	1,136,519	12,935,331	
1802	12,438,236		621,899	1,935,659	14,995,794	
1803	10,479,418		215,180	369,500	11,064,098	
1804	11,098,565		50,941	676,801	11,826,307	
1805	12,936,487		21,747	602,459	13,560,693	
1806	14,667,698		20,101	872,132	15,559,931	
1807	15,845,522		13,051	539,446	16,398,019	
1808	16,363,551		8,211	688,900	17,060,662	
1809	7,296,021		4,044	473,408	7,773,473	
1810	8,583,309		7,431	793,475	9,384,215	
1811	13,313,223		2,296	1,108,010	14,423,529	
1812	8,958,778		4,903	837,452	9,801,133	
1813	13,224,623		4,755	1,111,032	14,340,410	
1814	5,998,772		1,662,985	3,519,868	11,181,625	
1815	7,282,942		4,678,059	3,768,023	15,729,024	
1816	36,306,875		5,124,708	6,246,088	47,677,671	
1817	26,283,348		2,678,101	4,137,601	33,099,050	
1818	17,176,385		955,270	3,453,516	21,585,171	
1819	20,283,609		229,594	4,090,172	24,603,375	
1820	15,005,612		106,261	2,768,797	17,880,670	
1821	13,004,447		69,028	1,499,905	14,573,380	
1822	17,589,762		67,666	2,575,000	20,232,428	
1823	19,088,433		34,242	1,417,991	20,540,666	
1824	17,878,326		34,663	1,468,224	19,381,213	
1825	20,098,713		25,771	1,716,374	21,840,858	
1826	23,341,332		21,590	1,897,512	25,260,434	
1827	19,712,283		19,886	3,234,195	22,966,364	
1828	23,205,524		17,452	1,540,654	24,763,630	
1829	22,681,966		14,503	2,131,158	24,827,627	
1830	21,922,391		12,161	2,909,564	24,844,116	
1831	24,224,442		6,934	4,295,445	28,526,821	
1832	28,465,237		11,631	3,388,693	31,865,561	
1833	29,032,509		2,759	4,913,159	33,948,427	
1834	16,214,957		4,196	5,572,783	21,791,936	
1835	19,391,311		10,459	16,028,317	35,430,087	
1836	23,409,941		370	27,416,485	50,826,796	
1837	11,169,290		5,494	13,779,369	24,954,153	
1838	16,158,800		2,467	10,141,295	26,302,562	
1839	23,137,925		2,553	8,342,271	31,482,749	
1840	13,499,502		1,682	5,978,931	19,480,115	
1841	14,487,217		3,261	2,369,682	16,860,160	
1842	18,187,909		495	1,787,794	19,976,198	
1843 [1]	7,046,844		103	1,255,755	8,302,702	
1844	26,183,571		1,777	3,136,026	29,321,374	
1845	27,528,113		3,517	2,438,476	29,970,106	
1846	26,712,668		2,897	2,984,402	29,699,967	
1847	23,747,865		375	2,747,529	26,495,769	
1848	31,757,071		375	3,978,333	35,735,779	
1849	28,346,739			2,861,404	31,208,143	
1850	39,668,686			3,934,753	43,603,439	
1851	49,017,568			3,541,736	52,559,304	
1852	47,339,327			2,507,489	49,846,816	
1853	58,931,866			2,655,188	61,587,054	
1854	64,224,190			9,576,151	73,800,341	
1855	53,025,794			12,324,781	65,350,575	
1856	64,022,863			10,033,836	74,056,699	

Footnotes at end of table.

Expenditures

tures, fiscal years 1789–1963

1952. Beginning with fiscal year 1953 on basis of the "Monthly Statement of Receipts and Expenditures
1789 through 1930. Trust accounts excluded for 1931 and subsequent years. For explanation of accounts

Expenditures					
Department of the Army (formerly War Department) [4]	Department of the Navy [4]	Interest on the public debt	Other [5]	Total expenditures [3]	Surplus, or deficit (−)
$632,804	$570	$2,349,437	$1,286,216	$4,269,027	$149,886
1,100,702	53	3,201,628	777,149	5,079,532	−1,409,572
1,130,249	----------------	2,772,242	579,822	4,482,313	170,610
2,639,098	61,409	3,490,293	800,039	6,990,839	−1,558,934
2,480,910	410,562	3,189,151	1,459,186	7,539,809	−1,425,275
1,260,264	274,784	3,195,055	996,883	5,726,986	2,650,544
1,039,403	382,632	3,300,043	1,411,556	6,133,634	2,555,147
2,009,522	1,381,348	3,053,281	1,232,353	7,676,504	223,992
2,466,947	2,858,082	3,186,288	1,155,138	9,666,455	−2,119,642
2,560,879	3,448,716	3,374,705	1,401,775	10,786,075	62,674
1,672,944	2,111,424	4,412,913	1,197,301	9,394,582	3,540,749
1,179,148	915,562	4,125,039	1,642,369	7,862,118	7,133,676
822,056	1,215,231	3,848,828	1,965,538	7,851,653	3,212,445
875,424	1,189,833	4,266,583	2,387,602	8,719,442	3,106,865
712,781	1,597,500	4,148,999	4,046,954	10,506,234	3,054,459
1,224,355	1,649,641	3,723,408	3,206,213	9,803,617	5,756,314
1,288,686	1,722,064	3,369,578	1,973,823	8,354,151	8,043,868
2,900,834	1,884,068	3,428,153	1,719,437	9,932,492	7,128,170
3,345,772	2,427,759	2,866,075	1,641,142	10,280,748	−2,507,275
2,294,324	1,654,244	2,845,428	1,362,514	8,156,510	1,227,705
2,032,828	1,965,566	2,465,733	1,594,210	8,058,337	6,365,192
11,817,798	3,959,365	2,451,273	2,052,335	20,280,771	−10,479,638
19,652,013	6,446,600	3,599,455	1,983,784	31,681,852	−17,341,442
20,350,807	7,311,291	4,593,239	2,465,589	34,720,926	−23,539,301
14,794,294	8,660,000	5,754,569	3,499,276	32,708,139	−16,979,115
16,012,097	3,908,278	7,213,259	3,453,057	30,586,691	17,090,980
8,004,237	3,314,598	6,389,210	4,135,775	21,843,820	11,255,230
5,622,715	2,953,695	6,016,447	5,232,264	19,825,121	1,760,050
6,506,300	3,847,640	5,163,538	5,946,332	21,463,810	3,139,565
2,630,392	4,387,990	5,126,097	6,116,148	18,260,627	−379,957
4,461,292	3,319,243	5,087,274	2,942,944	15,810,753	−1,237,373
3,111,981	2,224,459	5,172,578	4,491,202	15,000,220	5,232,208
3,096,924	2,503,766	4,922,685	4,183,465	14,706,840	5,833,826
3,340,940	2,904,582	4,996,562	9,084,624	20,326,708	−945,495
3,659,914	3,049,084	4,366,769	4,781,462	15,857,229	5,983,629
3,943,194	4,218,902	3,973,481	4,900,220	17,035,797	8,224,637
3,938,978	4,263,877	3,486,072	4,450,241	16,139,168	6,827,196
4,145,545	3,918,786	3,098,801	5,231,711	16,394,843	8,368,787
4,724,291	3,308,745	2,542,843	4,627,454	15,203,333	9,624,294
4,767,129	3,239,429	1,913,533	5,222,975	15,143,066	9,701,050
4,841,836	3,856,183	1,383,583	5,166,049	15,247,651	13,279,170
5,446,035	3,956,370	772,562	7,113,983	17,288,950	14,576,611
6,704,019	3,901,357	303,797	12,108,379	23,017,552	10,930,875
5,696,189	3,956,260	202,153	8,772,967	18,627,569	3,164,367
5,759,157	3,864,939	57,863	7,890,854	17,572,813	17,857,274
12,169,227	5,807,718	----------------	12,891,219	30,868,164	19,958,632
13,682,734	6,646,915	----------------	16,913,847	37,243,496	−12,289,343
12,897,224	6,131,596	14,997	14,821,242	33,865,059	−7,562,497
8,916,996	6,182,294	399,834	11,400,004	26,899,128	4,583,621
7,097,070	6,113,897	174,598	10,932,014	24,317,579	−4,837,464
8,805,565	6,001,077	284,978	11,474,253	26,565,873	−9,705,713
6,611,887	8,397,243	773,550	9,423,081	25,205,761	−5,229,563
2,957,300	3,727,711	523,595	4,649,469	11,858,075	−3,555,373
5,179,220	6,498,199	1,833,867	8,826,285	22,337,571	6,983,803
5,752,644	6,297,245	1,040,032	9,847,487	22,937,408	7,032,698
10,792,867	6,454,947	842,723	9,676,388	27,766,925	1,933,042
38,305,520	7,900,636	1,119,215	9,956,041	57,281,412	−30,785,643
25,501,963	9,408,476	2,390,825	8,075,962	45,377,226	−9,641,447
14,852,966	9,786,706	3,565,578	16,846,407	45,051,657	−13,843,514
9,400,239	7,904,709	3,782,331	18,456,213	39,543,492	4,059,947
11,811,793	9,005,931	3,696,721	23,194,572	47,709,017	4,850,287
8,225,247	8,952,801	4,000,298	23,016,573	44,194,919	5,651,897
9,947,291	10,918,781	3,665,833	23,652,206	48,184,111	13,402,943
11,733,629	10,798,586	3,071,017	32,441,630	58,044,862	15,755,479
14,773,826	13,312,024	2,314,375	29,342,443	59,742,668	5,607,907
16,948,197	14,091,781	1,953,822	36,577,226	69,571,026	4,485,672

TABLE 2.—*Receipts and expenditures,*

Year [1]	Receipts					
	Customs (including tonnage tax)	Internal revenue		Other receipts [2]	Total receipts [3]	Net receipts
		Income and profits taxes	Other			
1857	$63,875,905			$5,089,408	$68,965,313	
1858	41,789,621			4,865,745	46,655,366	
1859	49,565,824			3,920,641	53,486,465	
1860	53,187,512			2,877,096	56,064,608	
1861	39,582,126			1,927,805	41,509,931	
1862	49,056,398			2,931,058	51,987,456	
1863	69,059,642	$2,741,858	$34,898,930	5,996,861	112,697,291	
1864	102,316,153	20,294,732	89,446,402	52,569,484	264,626,771	
1865	84,928,261	60,979,329	148,484,886	39,322,129	333,714,605	
1866	179,046,652	72,982,159	236,244,654	69,759,155	558,032,620	
1867	176,417,811	66,014,429	200,013,108	48,188,662	490,634,010	
1868	164,464,600	41,455,598	149,631,991	50,085,894	405,638,083	
1869	180,048,427	34,791,856	123,564,605	32,538,859	370,943,747	
1870	194,538,374	37,775,874	147,123,882	31,817,347	411,255,477	
1871	206,270,408	19,162,651	123,935,503	33,955,383	383,323,945	
1872	216,370,287	14,436,862	116,205,316	27,094,403	374,106,868	
1873	188,089,523	5,062,312	108,667,002	31,919,368	333,738,205	
1874	163,103,834	139,472	102,270,313	39,465,137	304,978,756	
1875	157,167,722	233	110,007,261	20,824,835	288,000,051	
1876	148,071,985	588	116,700,144	29,323,148	294,095,865	
1877	130,956,493	98	118,630,310	31,819,518	281,406,419	
1878	130,170,680		110,581,625	17,011,574	257,763,879	
1879	137,250,048		113,561,611	23,015,526	273,827,185	
1880	186,522,064		124,009,374	22,995,173	333,526,611	
1881	198,159,676	3,022	135,261,364	27,358,231	360,782,293	
1882	220,410,730		146,497,596	36,616,924	403,525,250	
1883	214,706,497		144,720,369	38,860,716	398,287,582	
1884	195,067,490	55,628	121,530,445	31,866,307	348,519,870	
1885	181,471,939		112,498,726	29,720,041	323,690,706	
1886	192,905,023		116,805,936	26,728,767	336,439,726	
1887	217,286,893		118,823,391	35,292,993	371,403,277	
1888	219,091,174		124,296,872	35,878,029	379,266,075	
1889	223,832,742		130,881,514	32,335,803	387,050,059	
1890	229,668,585		142,606,706	30,805,693	403,080,984	
1891	219,522,205		145,686,250	27,403,992	392,612,447	
1892	177,452,964		153,971,072	23,513,748	354,937,784	
1893	203,355,017		161,027,624	21,436,988	385,819,629	
1894	131,818,531		147,111,233	27,425,552	306,355,316	
1895	152,158,617	77,131	143,344,541	29,149,130	324,729,419	
1896	160,021,752		146,762,865	31,357,830	338,142,447	
1897	176,554,127		146,688,574	24,479,004	347,721,705	
1898	149,575,062		170,900,642	84,845,631	405,321,335	
1899	206,128,482		273,437,162	36,394,977	515,960,621	
1900	233,164,871		295,327,927	38,748,054	567,240,852	
1901	238,585,456		307,180,664	41,919,218	587,685,338	
1902	254,444,708		271,880,122	36,153,403	562,478,233	
1903	284,479,582		230,810,124	46,591,016	561,880,722	
1904	261,274,565		232,904,119	46,908,401	541,087,085	
1905	261,798,857		234,095,741	48,380,087	544,274,685	
1906	300,251,878		249,150,213	45,582,355	594,984,446	
1907	332,233,363		269,666,773	63,960,250	665,860,386	
1908	286,113,130		251,711,127	64,037,650	601,861,907	
1909	300,711,934		246,212,644	57,395,920	604,320,498	
1910	333,683,445	20,951,781	268,981,738	51,894,751	675,511,715	
1911	314,497,071	33,516,977	289,012,224	64,806,639	701,832,911	
1912	311,321,672	28,583,304	293,028,896	59,675,332	692,609,204	
1913	318,891,396	35,006,300	309,410,666	60,802,868	724,111,230	
1914	292,320,014	71,381,275	308,659,733	62,312,145	734,673,167	
1915	209,786,672	80,201,759	335,467,887	72,454,509	697,910,827	
1916	213,185,846	124,937,253	387,764,776	56,646,673	782,534,548	
1917	225,962,393	359,681,228	449,684,980	88,996,194	1,124,324,795	
1918	179,998,385	2,314,006,292	872,028,020	298,550,168	3,664,582,865	
1919	184,457,867	3,018,783,687	1,296,501,292	652,514,290	5,152,257,136	
1920	322,902,650	3,944,949,288	1,460,082,287	966,631,164	6,694,565,389	
1921	308,564,391	3,206,046,158	1,390,379,823	719,942,589	5,624,932,961	
1922	356,443,387	2,068,128,193	1,145,125,064	539,407,507	4,109,104,151	
1923	561,928,867	1,678,607,428	945,865,333	820,733,853	4,007,135,481	
1924	545,637,504	1,842,144,418	953,012,618	671,250,162	4,012,044,702	

Footnotes at end of table.

fiscal years 1789–1963—Continued

Expenditures					
Department of the Army (formerly War Department)[4]	Department of the Navy [4]	Interest on the public debt	Other [2,5]	Total expenditures [3]	Surplus, or deficit (—) [5]
$19,261,774	$12,747,977	$1,678,265	$34,107,692	$67,795,708	$1,169,605
25,485,383	13,984,551	1,567,056	33,148,280	74,185,270	—27,529,904
23,243,823	14,642,990	2,638,464	28,545,700	69,070,977	—15,584,512
16,409,767	11,514,965	3,177,315	32,028,551	63,130,598	—7,065,990
22,981,150	12,420,888	4,000,174	27,144,433	66,546,645	—25,036,714
394,368,407	42,668,277	13,190,325	24,534,810	474,761,819	—422,774,363
599,298,601	63,221,964	24,729,847	27,490,313	714,740,725	—602,043,434
690,791,843	85,725,995	53,685,422	35,119,382	865,322,642	—600,695,871
1,031,323,361	122,612,945	77,397,712	66,221,206	1,297,555,224	—963,840,619
284,449,702	43,324,118	133,067,742	59,967,855	520,809,417	37,223,203
95,224,415	31,034,011	143,781,592	87,502,657	357,542,675	133,091,335
123,246,648	25,775,503	140,424,046	87,894,088	377,340,285	28,297,798
78,501,991	20,000,758	130,694,243	93,668,286	322,865,278	48,078,469
57,655,676	21,780,230	129,235,498	100,982,157	309,653,561	101,601,916
35,799,992	19,431,027	125,576,566	111,369,603	292,177,188	91,146,757
35,372,157	21,249,810	117,357,840	103,538,156	277,517,963	96,588,905
46,323,138	23,526,257	104,750,688	115,745,162	290,345,245	43,392,960
42,313,927	30,932,587	107,119,815	122,267,544	302,633,873	2,344,883
41,120,646	21,497,626	103,093,545	108,911,576	274,623,393	13,376,658
38,070,889	18,963,310	100,243,271	107,823,615	265,101,085	28,994,780
37,082,736	14,959,935	97,124,512	92,167,292	241,334,475	40,071,944
32,154,148	17,365,301	102,500,875	84,944,003	236,964,327	20,799,552
40,425,661	15,125,127	105,327,949	106,069,147	266,947,884	6,879,301
38,116,916	13,536,985	95,757,575	120,231,482	267,642,958	65,883,653
40,466,461	15,686,672	82,508,741	122,051,014	260,712,888	100,069,405
43,570,494	15,032,046	71,077,207	128,301,693	257,981,440	145,543,810
48,911,383	15,283,437	59,160,131	142,053,187	265,408,138	132,879,444
39,429,603	17,292,601	54,578,379	132,825,661	244,126,244	104,393,626
42,670,578	16,021,080	51,386,256	150,149,021	260,226,935	63,463,771
34,324,153	13,907,888	50,580,146	143,670,952	242,483,139	93,956,587
38,561,026	15,141,127	47,741,577	166,488,451	267,932,181	103,471,096
38,522,436	16,926,438	44,715,007	167,760,920	267,924,801	111,341,274
44,435,271	21,378,809	41,001,484	192,473,414	299,288,978	87,761,081
44,582,838	22,006,206	36,099,284	215,352,383	318,040,711	85,040,273
48,720,065	26,113,896	37,547,135	253,392,808	365,773,904	26,838,543
46,895,456	29,174,139	23,378,116	245,575,620	345,023,331	9,914,453
49,641,773	30,136,084	27,264,392	276,435,704	383,477,953	2,341,676
54,567,930	31,701,294	27,841,406	253,414,651	367,525,281	—61,169,965
51,804,759	28,797,796	30,978,030	244,614,713	356,195,298	—31,465,879
50,830,921	27,147,732	35,385,029	238,815,764	352,179,446	—14,036,999
48,950,268	34,561,546	37,791,110	244,471,235	365,774,159	—18,052,454
91,992,000	58,823,985	37,585,056	254,967,542	443,368,583	—38,047,248
229,841,254	63,942,104	39,896,925	271,391,896	605,072,179	—89,111,558
134,774,768	55,953,078	40,160,333	289,972,668	520,860,847	46,380,005
144,615,697	60,506,978	32,342,979	287,151,271	524,616,925	63,068,413
112,272,216	67,803,128	29,108,045	276,050,860	485,234,249	77,243,984
118,629,505	82,618,034	28,556,349	287,202,239	517,006,127	44,874,595
165,199,911	102,956,102	24,646,490	290,857,397	583,659,900	—42,572,815
126,093,894	117,550,308	24,590,944	299,043,768	567,278,914	—23,004,229
137,326,066	110,474,264	24,308,576	298,093,372	570,202,278	24,782,168
149,775,084	97,128,469	24,481,158	307,744,131	579,128,842	86,731,544
175,840,453	118,037,097	21,426,138	343,892,632	659,196,320	—57,334,413
192,486,904	115,546,011	21,803,836	363,907,134	693,743,885	—89,423,387
189,823,379	123,173,717	21,342,979	359,276,990	693,617,065	—18,105,350
197,199,491	119,937,644	21,311,334	352,753,043	691,201,512	10,631,399
184,122,793	135,591,956	22,616,300	347,550,285	689,881,334	2,727,870
202,128,711	133,262,862	22,899,108	366,221,282	724,511,963	—400,733
208,349,746	139,682,186	22,863,957	364,185,542	735,081,431	—408,264
202,160,134	141,835,654	22,902,897	393,688,117	760,586,802	—62,675,975
183,176,439	153,853,567	22,900,869	374,125,327	734,056,202	48,478,346
377,940,870	239,632,757	24,742,702	1,335,365,422	1,977,681,751	—853,356,956
4,869,955,286	1,278,840,487	189,743,277	6,358,163,421	12,696,702,471	—9,032,119,606
9,009,075,789	2,002,310,785	619,215,569	6,884,277,812	18,514,879,955	—13,362,622,819
1,621,953,095	736,021,456	1,020,251,622	3,025,117,668	6,403,343,841	291,221,548
1,118,076,423	650,373,836	999,144,731	2,348,332,700	5,115,927,690	509,005,271
457,756,139	476,775,194	991,000,759	1,447,075,808	3,372,607,900	736,496,251
397,050,596	333,201,362	1,055,923,690	1,508,451,881	3,294,627,529	712,507,952
357,016,878	332,249,137	940,602,913	1,418,809,037	3,048,677,965	963,366,737

TABLE 2.—*Receipts and expenditures, fiscal years 1789–1963*—Continued

Year [1]	Receipts								
	Customs [6]	Internal revenue		Other receipts [2]	Total receipts by major sources [3]	Refunds and transfers [7]	Receipts, less refunds and transfers	Interfund transactions [8] (deduct)	Net receipts
		Income and profits taxes	Other						
1925	$547, 561, 226	$1, 760, 537, 824	$828, 638, 068	$643, 411, 567	$3, 780, 148, 685	----------------	$3, 780, 148, 685	----------------	$3, 780, 148, 685
1926	579, 430, 093	1, 982, 040, 088	855, 599, 289	545, 686, 220	3, 962, 755, 690	----------------	3, 962, 755, 690	----------------	3, 962, 755, 690
1927	605, 499, 983	2, 224, 992, 800	644, 421, 542	654, 480, 116	4, 129, 394, 441	----------------	4, 129, 394, 441	----------------	4, 129, 394, 441
1928	568, 986, 188	2, 173, 952, 557	621, 018, 666	678, 390, 745	4, 042, 348, 156	----------------	4, 042, 348, 156	----------------	4, 042, 348, 156
1929	602, 262, 786	2, 330, 711, 823	607, 307, 549	492, 968, 067	4, 033, 250, 225	----------------	4, 033, 250, 225	----------------	4, 033, 250, 225
1930	587, 000, 903	2, 410, 986, 978	628, 308, 036	551, 645, 785	4, 177, 941, 702	----------------	4, 177, 941, 702	----------------	4, 177, 941, 702
1931	378, 354, 005	1, 860, 394, 295	569, 386, 721	381, 503, 611	3, 189, 638, 632	$74, 081, 709	3, 115, 556, 923	----------------	3, 115, 556, 923
1932	327, 754, 969	1, 057, 335, 853	503, 670, 481	116, 964, 134	2, 005, 725, 437	81, 812, 320	1, 923, 913, 117	$21, 294	1, 923, 891, 824
1933	250, 750, 251	746, 206, 445	858, 217, 512	224, 522, 534	2, 079, 696, 742	58, 483, 799	2, 021, 212, 943	24, 369, 110	1, 996, 843, 833
1934	313, 434, 302	817, 961, 481	1, 822, 642, 347	161, 515, 919	3, 115, 554, 050	51, 286, 138	3, 064, 267, 912	49, 298, 113	3, 014, 969, 799
1935	343, 353, 034	1, 099, 118, 638	2, 178, 571, 390	179, 424, 141	3, 800, 467, 202	70, 553, 357	3, 729, 913, 845	23, 958, 245	3, 705, 955, 600
1936	386, 811, 594	1, 426, 575, 434	2, 086, 276, 174	216, 293, 413	4, 115, 956, 615	47, 019, 926	4, 068, 936, 689	71, 877, 714	3, 997, 058, 975
1937	486, 356, 599	2, 163, 413, 817	2, 433, 726, 286	210, 093, 535	5, 293, 590, 237	314, 989, 542	4, 978, 600, 695	22, 988, 139	4, 955, 612, 556
1938	359, 187, 249	2, 640, 284, 711	3, 034, 033, 726	208, 155, 541	6, 241, 661, 227	626, 440, 065	5, 615, 221, 162	27, 209, 289	5, 588, 011, 873
1939	318, 837, 311	2, 188, 757, 289	2, 972, 463, 558	187, 765, 468	5, 667, 823, 626	671, 524, 096	4, 996, 299, 530	17, 233, 572	4, 979, 065, 958
1940	348, 590, 636	2, 125, 324, 635	3, 177, 809, 353	241, 643, 315	5, 893, 367, 939	749, 354, 895	5, 144, 013, 044	6, 763, 273	5, 137, 249, 771
1941	391, 870, 013	3, 469, 637, 849	3, 892, 037, 133	242, 066, 585	7, 995, 611, 580	892, 680, 197	7, 102, 931, 383	7, 255, 331	7, 095, 676, 052
1942	388, 948, 427	7, 960, 464, 973	5, 032, 652, 915	294, 614, 145	13, 676, 680, 460	1, 121, 244, 376	12, 555, 436, 084	8, 817, 329	12, 546, 618, 755
1943	324, 290, 778	16, 093, 668, 781	6, 050, 300, 218	934, 062, 619	23, 402, 322, 396	1, 415, 621, 609	21, 986, 700, 787	39, 417, 630	21, 947, 283, 157
1944	431, 252, 168	34, 654, 851, 852	7, 030, 135, 478	3, 324, 809, 903	45, 441, 049, 402	1, 805, 734, 046	43, 635, 315, 356	72, 705, 896	43, 562, 609, 460
1945	354, 775, 542	35, 173, 051, 373	8, 728, 950, 555	3, 493, 528, 901	47, 750, 306, 371	3, 275, 002, 706	44, 475, 303, 665	113, 282, 721	44, 362, 020, 944
1946	435, 475, 072	30, 884, 796, 016	9, 425, 537, 282	3, 492, 326, 920	44, 238, 135, 290	4, 466, 731, 580	39, 771, 403, 710	121, 532, 724	39, 649, 870, 986
1947	494, 078, 260	29, 305, 568, 454	10, 073, 840, 241	4, 634, 701, 652	44, 508, 188, 607	4, 722, 007, 571	39, 786, 181, 036	109, 014, 012	39, 677, 167, 024
1948 [9]	421, 723, 028	31, 170, 968, 403	10, 682, 516, 849	3, 823, 599, 033	46, 098, 807, 314	4, 610, 628, 472	41, 488, 178, 842	113, 476, 853	41, 374, 701, 989
1949 [9]	384, 484, 796	29, 482, 283, 759	10, 825, 001, 116	2, 081, 735, 850	42, 773, 505, 520	5, 077, 956, 071	37, 695, 549, 449	32, 576, 510	37, 662, 972, 939
1950	422, 650, 329	28, 262, 671, 097	11, 185, 936, 012	1, 439, 370, 414	41, 310, 627, 852	4, 815, 727, 015	36, 494, 900, 837	72, 966, 260	36, 421, 934, 577
1951	624, 008, 052	37, 752, 553, 688	13, 353, 541, 306	1, 638, 568, 845	53, 368, 671, 892	5, 801, 058, 408	47, 567, 613, 484	87, 546, 409	47, 480, 067, 075
1952	550, 696, 379	51, 346, 525, 736	14, 288, 368, 522	1, 813, 778, 921	67, 999, 369, 558	6, 608, 425, 006	61, 390, 944, 552	104, 383, 636	61, 286, 560, 916
1953	613, 419, 582	54, 362, 967, 793	15, 808, 006, 083	1, 864, 741, 185	72, 649, 134, 647	7, 824, 090, 621	64, 825, 044, 026	154, 459, 602	64, 670, 584, 424
1954	562, 020, 618	53, 905, 570, 964	16, 394, 080, 537	2, 311, 263, 612	73, 172, 935, 738	8, 517, 548, 748	64, 655, 386, 989	235, 352, 928	64, 420, 034, 061

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Year [1]	Expenditures								Surplus, or deficit (−) [5]
	Department of the Army (formerly War Department) [4]	Department of the Navy [4]	Department of the Air Force [4]	Interest on the public debt	Other [2,5]	Total expenditures by major purposes [3,5]	Interfund transactions (deduct) [8]	Total expenditures [3,5]	
1925	$370,980,708	$346,142,001		$881,806,662	$1,464,175,961	$3,063,105,332		$3,063,105,332	$717,043,353
1926	364,089,945	312,743,410		831,937,700	1,588,840,768	3,097,611,823		3,097,611,823	865,143,867
1927	369,114,122	318,909,096		787,019,578	1,498,986,878	2,974,029,674		2,974,029,674	1,155,364,766
1928	400,989,683	331,335,492		731,764,476	1,639,175,204	3,103,264,855		3,103,264,855	939,083,301
1929	425,947,194	364,561,544		678,330,400	1,830,020,348	3,298,859,486		3,298,859,486	734,390,739
1930	464,853,515	374,165,639		659,347,613	1,941,902,117	3,440,268,884		3,440,268,884	737,672,818
1931	486,141,754	353,768,185		611,559,704	2,125,964,360	3,577,434,003		3,577,434,003	−461,877,080
1932	476,305,311	357,517,834		599,276,631	3,226,103,049	4,659,202,825	$21,294	4,659,181,532	−2,735,289,708
1933	434,620,860	349,372,794		689,365,106	3,149,506,267	4,622,865,028	24,369,110	4,598,495,918	−2,601,652,085
1934	408,586,783	296,927,490		756,617,127	5,231,768,454	6,693,899,854	49,298,113	6,644,601,741	−3,629,631,943
1935	487,995,220	436,265,532		820,926,353	4,775,778,841	6,520,965,945	23,958,245	6,497,007,700	−2,791,052,100
1936	618,587,184	528,882,143		749,396,802	6,596,619,790	8,493,485,919	71,877,714	8,421,608,205	−4,424,549,230
1937	628,104,285	556,674,066		866,384,331	5,704,858,728	7,756,021,409	22,988,139	7,733,033,270	−2,777,420,714
1938	644,263,842	596,129,739		926,280,714	4,625,163,465	6,791,837,760	27,209,289	6,764,628,471	−1,176,616,598
1939	695,256,481	672,722,327		940,539,764	6,549,938,998	8,858,457,570	17,233,572	8,841,223,998	−3,862,158,040
1940	907,160,151	891,484,523		1,040,935,697	6,222,451,833	9,062,032,204	6,763,273	9,055,268,931	−3,918,019,161
1941	3,938,943,048	2,313,057,956		1,110,692,812	5,899,509,926	13,262,203,742	7,255,331	13,254,948,411	−6,159,272,358
1942	14,325,508,098	8,579,588,976		1,260,085,336	9,880,496,406	34,045,678,816	8,817,329	34,036,861,487	−21,490,242,732
1943	42,525,562,523	20,888,349,026		1,808,160,396	14,185,059,207	79,407,131,152	39,417,630	79,367,713,522	−57,420,430,365
1944	49,438,330,158	26,537,633,877		2,608,979,806	16,473,764,057	95,058,707,898	72,705,896	94,986,002,002	−51,423,392,541
1945	50,490,101,935	30,047,152,135		3,616,686,048	14,262,279,670	98,416,219,790	113,282,721	98,302,937,069	−53,940,916,126
1946	27,986,769,041	15,164,412,379		4,721,957,683	12,574,435,216	60,447,574,319	121,532,724	60,326,041,595	−20,676,170,609
1947	9,172,138,869	5,597,203,036		4,957,922,484	19,305,128,987	39,032,393,376	109,014,012	38,923,379,364	753,787,660
1948 [9]	7,698,556,403	4,284,619,125		5,211,101,865	15,874,431,605	33,068,708,998	113,476,853	32,955,232,145	8,419,469,844
1949 [9]	7,862,397,097	4,434,705,920	$1,690,460,724	5,339,396,336	20,180,029,420	39,506,989,497	32,576,510	39,474,412,987	−1,811,440,048
1950	5,789,467,599	4,129,545,653	3,520,632,580	5,749,913,064	20,427,444,299	39,617,003,195	72,966,260	39,544,036,935	−3,122,102,357
1951 [10]	8,635,938,754	5,862,548,845	6,358,603,828	5,612,654,812	17,588,084,620	44,057,830,859	87,546,409	43,970,284,450	3,509,782,624
1952	17,452,710,349	10,231,264,765	12,851,619,343	5,859,263,437	19,012,727,036	65,407,584,930	104,383,636	65,303,201,294	−4,016,640,378
1953	17,054,333,370	11,874,830,152	15,085,227,952	6,503,580,030	23,756,285,980	74,274,257,484	154,459,602	74,119,797,882	−9,449,213,457
1954	13,515,388,452	11,292,803,940	15,668,473,393	6,382,485,640	20,913,201,820	67,772,353,245	235,352,928	67,537,000,317	−3,116,966,256

Footnotes on following pages.

TABLE 2.—*Receipts and expenditures, fiscal years 1789–1963*—Continued

Year [1]	Receipts								Net receipts
	Customs [6]	Internal revenue		Other receipts [2]	Total receipts by major sources [3]	Refunds and transfers [7]	Receipts, less refunds and transfers	Interfund transactions [8] (deduct)	
		Income and profits taxes	Other						
1955	$606, 396, 634	$49, 914, 825, 888	$16, 373, 865, 694	$2, 559, 107, 420	$69, 454, 195, 640	$9, 064, 451, 745	$60, 389, 743, 895	$181, 235, 203	$60, 208, 508, 692
1956	704, 897, 516	56, 632, 598, 140	18, 476, 485, 054	3, 006, 445, 461	78, 820, 426, 174	10, 655, 096, 592	68, 165, 329, 582	315, 378, 243	67, 849, 951, 339
1957	754, 461, 446	60, 560, 424, 638	19, 611, 546, 168	2, 748, 872, 386	83, 675, 304, 639	12, 646, 654, 662	71, 028, 649, 978	466, 763, 865	70, 561, 886, 113
1958	799, 504, 808	59, 101, 874, 167	20, 876, 602, 316	3, 195, 519, 017	83, 973, 500, 309	14, 856, 782, 998	69, 116, 717, 311	566, 997, 267	68, 549, 720, 044
1959	948, 412, 215	58, 826, 253, 507	20, 971, 719, 301	3, 157, 881, 036	83, 904, 266, 060	15, 634, 013, 346	68, 270, 252, 715	354, 904, 091	67, 915, 348, 624
1960	1, 123, 037, 579	67, 125, 125, 683	24, 649, 677, 141	4, 054, 357, 669	96, 962, 198, 071	18, 504, 765, 198	78, 457, 432, 873	693, 972, 652	77, 763, 460, 221
1961	1, 007, 755, 214	67, 917, 940, 793	26, 483, 145, 605	4, 082, 499, 734	99, 491, 341, 346	21, 177, 963, 732	78, 313, 377, 614	653, 952, 709	77, 659, 424, 906
1962	1, 171, 205, 974	71, 945, 304, 905	27, 495, 534, 340	3, 205, 528, 779	103, 817, 573, 998	21, 775, 825, 509	82, 041, 748, 489	632, 656, 417	81, 409, 092, 073
1963	1, 240, 537, 884	75, 323, 714, 353	30, 601, 680, 928	4, 435, 613, 440	111, 601, 546, 606	24, 711, 939, 419	86, 889, 607, 187	513, 396, 839	86, 376, 210, 348

[1] From 1789 to 1842 the fiscal year ended Dec. 31; from 1844 to date, on June 30. Figures for 1843 are for a half year, Jan. 1 to June 30.

[2] For postal receipts and expenditures, see table 25.

[3] Effective Jan. 3, 1949, amounts refunded by the Government, principally for overpayment of taxes, are reported as deductions from total receipts rather than as expenditures. Also, effective July 1, 1948, payments to the Treasury, principally by wholly owned Government corporations for retirement of capital stock and for disposition of earnings, are excluded in reporting both budget receipts and expenditures. Neither change affects the size of the budget surplus or deficit. Prior year figures, beginning with fiscal 1931, have been adjusted accordingly for comparability. For adjustments for refunds of receipts see table 3. For capital transfers for fiscal 1931 through 1948, see 1958 annual report, p. 396, footnote 3.

[4] Includes all military and civil expenditures of the Departments of the Army (including the Panama Canal), the Navy, and beginning with fiscal 1949 the Air Force, except civil expenditures of War and Navy at Washington through fiscal 1915. Department of the Army expenditures include those of the Department of the Air Force (established Sept. 18, 1947) from funds made available before fiscal 1949. Beginning with fiscal 1952 expenditures of the Department of Defense not classified among its three departments are included under "Other." Beginning with fiscal 1960 military assistance expenditures for Government reporting purposes were shifted from "Funds Appropriated to the President" to the various parts of the Department of Defense, but continued to be included under "Other."

[5] The practice of including statutory debt retirements in budget expenditures was discontinued effective with fiscal 1948. Such expenditures are not included in this table, nor does the "Surplus or deficit" take into account such expenditures. Table 44 shows details of statutory debt retirements.

Year [1]	Expenditures								Surplus, or deficit (−) [5]
	Department of the Army (formerly War Department) [4]	Department of the Navy [4]	Department of the Air Force [4]	Interest on the public debt	Other [2 5]	Total expenditures by major purposes [3 5]	Interfund transactions (deduct) [8]	Total expenditures [3 5]	
1955	$9,450,383,082	$9,731,611,019	$16,405,038,348	$6,370,361,774	$22,612,578,594	$64,569,972,817	$181,235,203	$64,388,737,614	−$4,180,228,921
1956	9,274,300,874	9,743,715,334	16,749,647,622	6,786,598,862	23,985,513,486	66,539,776,178	315,378,243	66,224,397,935	1,625,553,403
1957	9,704,788,331	10,397,223,998	18,360,926,051	7,244,193,486	23,725,946,561	69,433,078,427	466,763,865	68,966,314,562	1,595,571,550
1958	9,775,877,444	10,913,287,404	18,436,830,585	7,606,774,062	25,203,401,856	71,936,171,353	566,997,267	71,369,174,086	−2,819,454,041
1959	10,284,059,445	11,720,053,749	19,083,326,404	7,592,769,102	32,017,030,764	80,697,239,466	354,904,091	80,342,335,375	−12,426,986,751
1960	10,293,993,401	11,642,486,702	19,065,244,298	9,179,588,857	27,052,072,193	77,233,385,451	693,972,652	76,539,412,799	1,224,047,422
1961	11,102,620,707	12,214,297,075	19,777,722,554	8,957,241,615	30,117,238,211	82,169,120,163	653,952,709	81,515,167,454	−3,855,742,548
1962	12,425,939,098	13,260,183,267	20,839,825,719	9,119,759,808	32,773,715,105	88,419,422,997	632,656,417	87,786,766,581	−6,377,674,508
1963	12,782,038,071	14,092,991,160	20,822,869,577	9,895,303,949	35,561,991,141	93,155,193,898	513,396,839	92,641,797,059	−6,265,586,711

[6] Includes the tonnage tax through 1931. Beginning with 1932 the tonnage tax has been covered into the general fund as miscellaneous receipts and is included in this table in "Other receipts."

[7] Refunds of receipts and transfers to trust funds. For content see table 3.

[8] For content see 1961 annual report, pp. 450-457, and table 8, this report. See also "Bases of Tables."

[9] Sec. 114(f) of the Economic Cooperation Act of 1948, approved Apr. 3, 1948, required that the sum of $3,000,000,000 be transferred to a trust fund entitled "Foreign Economic Cooperation Trust Fund" and "considered as expended during the fiscal year 1948, for the purpose of reporting governmental expenditures." The effect of this was to charge the budget in fiscal 1948 for expenditures made in fiscal 1949, with consequent effect on the budget surplus or deficit of those years. This bookkeeping transaction had no effect on the actual timing of either receipts or expenditures. In order to simplify comparison of figures between years, the transactions shown in this table do not take into account the transfer of $3,000,000,000 in fiscal 1948 to the Foreign Economic Cooperation trust fund; expenditures of $3,000,000,000 during fiscal 1949 from the Foreign Economic Cooperation trust fund are treated as budget expenditures in this table. If effect is given to sec. 114(f) of the Economic Cooperation Act of 1948, the budget results for the fiscal years 1948 and 1949 would be as follows:

	Fiscal year 1948	*Fiscal year 1949*
Budget receipts	$41,374,701,989	$37,662,972,939
Budget expenditures	35,955,232,145	36,474,412,987
Budget surplus	5,419,469,844	1,188,559,952

[10] Beginning with fiscal 1951, investments of wholly owned Government corporations in public debt securities are excluded from budget expenditures and included in "Trust account and other transactions." See tables 6 and 16.

TABLE 3.—*Refunds of receipts and transfers*

[On basis of daily Treasury statements through 1952; thereafter on basis of "Monthly Statement of

Fiscal year	Refunds of receipts [1] [2]				
	Internal revenue applicable to— [3]		Customs	Other	Total refunds of receipts
	Budget accounts	Trust accounts			
1931	$52, 561, 657		$21, 369, 007	$151, 045	$74, 081, 709
1932	64, 528, 539		17, 202, 969	80, 813	81, 812, 320
1933	45, 814, 734		12, 576, 842	92, 224	58, 483, 799
1934	37, 195, 935		14, 046, 350	43, 853	51, 286, 138
1935	49, 747, 858		20, 715, 688	89, 811	70, 553, 357
1936	32, 914, 628		14, 085, 195	20, 103	47, 019, 926
1937	33, 405, 891		16, 549, 408	34, 242	49, 989, 542
1938	76, 842, 701		16, 156, 340	38, 437	93, 037, 478
1939	44, 684, 686		16, 678, 803	63, 194	61, 426, 683
1940	61, 154, 655		17, 500, 945	49, 295	78, 704, 894
1941	52, 802, 242		27, 331, 472	55, 755	80, 189, 469
1942	65, 192, 248		19, 495, 861	87, 429	84, 775, 537
1943	53, 834, 008		16, 404, 512	86, 888	70, 325, 408
1944	242, 856, 877		14, 200, 774	196, 617	257, 254, 269
1945	1, 664, 545, 567		13, 843, 208	389, 150	1, 678, 777, 924
1946	2, 957, 114, 348		11, 224, 891	4, 688, 639	2, 973, 027, 879
1947	2, 982, 487, 490		17, 480, 263	6, 122, 643	3, 006, 090, 396
1948	2, 250, 391, 383		19, 050, 115	2, 433, 279	2, 271, 874, 777
1949	2, 817, 005, 313		17, 173, 186	3, 363, 506	2, 837, 542, 006
1950	2, 135, 455, 950		16, 091, 134	7, 959, 405	2, 159, 506, 489
1951	2, 082, 431, 536		15, 324, 391	8, 774, 689	2, 106, 530, 616
1952	2, 275, 188, 203		17, 520, 381	9, 497, 810	2, 302, 206, 394
1953	3, 094, 798, 198	$33, 000, 000	16, 949, 065	6, 091, 123	3, 150, 838, 386
1954	3, 345, 495, 593	40, 500, 000	20, 481, 971	11, 259, 809	3, 417, 737, 374
1955	3, 399, 978, 359	51, 000, 000	21, 619, 848	4, 389, 417	3, 476, 987, 625
1956	3, 652, 611, 883	66, 000, 000	23, 176, 262	8, 241, 988	3, 750, 030, 132
1957	3, 894, 119, 614	58, 206, 830	19, 907, 757	3, 315, 117	3, 975, 549, 317
1958	4, 412, 603, 507	165, 378, 009	17, 837, 948	2, 191, 001	4, 598, 010, 555
1959	4, 907, 159, 180	180, 329, 743	23, 220, 638	3, 043, 107	5, 113, 752, 669
1960	5, 024, 470, 807	192, 662, 543	18, 483, 391	1, 897, 066	5, 237, 513, 807
1961	5, 724, 571, 444	223, 737, 682	25, 439, 532	2, 260, 573	5, 976, 009, 231
1962	5, 957, 115, 953	278, 008, 196	29, 319, 402	1, 225, 761	6, 265, 669, 311
1963	6, 266, 560, 113	268, 950, 960	35, 174, 904	700, 987	6, 571, 386, 963

[1] Refunds of principal only; interest is included in expenditures.
[2] Internal revenue refunds by States for fiscal 1963 are shown in table 22.
[3] Beginning fiscal 1953, the principal amounts for refunds of employment taxes and certain excise taxes

to trust funds, fiscal years 1931–63

Receipts and Expenditures of the United States Government," see "Bases of Tables"]

Transfers to trust funds [3, 4]						Total refunds and transfers
Federal old-age and survivors insurance trust fund	Federal disability insurance trust fund	Highway trust fund	Railroad retirement account	Unemployment trust fund	Total transfers to trust accounts	
						$74,081,709
						81,812,320
						58,483,799
						51,286,138
						70,553,357
						47,019,926
$265,000,000					$265,000,000	314,989,542
387,000,000			$146,402,587		533,402,587	626,440,065
503,000,000			107,097,413		610,097,413	671,524,096
550,000,000			120,650,000		670,650,000	749,354,895
688,140,728			124,350,000		812,490,728	892,680,197
895,618,839			140,850,000		1,036,468,839	1,121,244,376
1,130,495,201			214,801,000		1,345,296,201	1,415,621,609
1,292,122,434			256,357,343		1,548,479,777	1,805,734,046
1,309,919,400			286,305,382		1,596,224,782	3,275,002,706
1,238,218,447			255,485,254		1,493,703,701	4,466,731,580
1,459,491,921			256,425,254		1,715,917,175	4,722,007,571
1,616,162,044			722,591,651		2,338,753,695	4,610,628,472
1,690,295,705			550,118,361		2,240,414,065	5,077,956,071
2,106,387,806			549,832,720		2,656,220,526	4,815,727,015
3,119,536,744			574,991,049		3,694,527,792	5,801,058,408
3,568,556,584			737,662,028		4,306,218,612	6,608,425,006
4,053,293,392			619,958,843		4,673,252,235	7,824,090,622
4,496,769,800			603,041,575		5,099,811,375	8,517,548,749
4,988,572,594			598,891,526		5,587,464,120	9,064,451,745
6,270,804,603			634,261,857		6,905,066,460	10,655,096,592
6,243,000,673	$333,276,575	$1,478,908,221	615,919,876		8,671,105,345	12,646,654,662
6,794,896,660	862,861,610	2,026,115,202	574,898,971		10,258,772,443	14,856,782,998
7,083,993,756	836,931,036	2,074,116,121	525,219,764		10,520,260,677	15,634,013,346
9,192,428,378	928,931,781	2,539,026,576	606,864,657		13,267,251,392	18,504,765,198
10,537,230,762	953,312,408	2,797,537,781	570,712,994	$343,160,557	15,201,954,501	21,177,963,732
10,600,021,548	944,542,132	2,948,690,128	564,264,483	452,637,906	15,510,156,198	21,775,825,509
12,351,191,003	993,762,625	3,278,697,756	571,534,041	945,367,031	18,140,552,456	24,711,939,419

(highway) are excluded from the transfers and are included with refunds of internal revenue receipts, applicable to trust accounts.

[4] Tax receipts transferred and appropriated to the respective trust accounts. Details of these trust funds may be found in the table for each fund, beginning with table 66 of this annual report.

TABLE 4.—*Administrative budget receipts and expenditures, fiscal years 1961, 1962, and 1963*

[In thousands of dollars. On basis of "Monthly Statement of Receipts and Expenditures of the United States Government," See "Bases of Tables"]

Receipts [1]	Fiscal year 1961 [2]	Fiscal year 1962 [2]	Fiscal year 1963
Internal revenue:			
Individual income taxes:			
Withheld [3]	32,977,654	36,246,109	[4] 38,718,702
Other [3]	13,175,346	14,403,485	[4] 14,268,878
Total individual income taxes	46,153,001	50,649,594	52,987,581
Corporation income taxes	21,764,940	21,295,711	22,336,134
Excise taxes	12,064,301	12,752,175	13,409,737
Employment taxes:			
Federal Insurance Contributions Act and Self-Employment Contributions Act [3]	11,586,283	11,686,231	[4] 13,484,379
Railroad Retirement Tax Act	570,812	564,311	571,644
Federal Unemployment Tax Act	345,356	457,629	948,464
Total employment taxes	12,502,451	12,708,171	15,004,486
Estate and gift taxes	1,916,392	2,035,187	2,187,457
Total internal revenue	94,401,086	99,440,839	105,925,395
Customs duties	1,007,755	1,171,206	1,240,538
Miscellaneous receipts:			
Interest	942,308	876,596	764,782
Dividends and other earnings	804,789	743,313	859,655
Realization upon loans and investments	1,012,277	371,113	1,075,692
Recoveries and refunds	181,632	153,517	199,656
Royalties	114,176	121,132	123,909
Sales of Government property and products	673,066	605,181	633,426
Seigniorage	55,379	57,544	44,896
Other	298,872	277,134	733,597
Total miscellaneous receipts	4,082,500	3,205,529	4,435,613
Gross budget receipts	99,491,341	103,817,574	111,601,547
Deduct:			
Refunds of receipts: [5]			
Internal revenue:			
Applicable to budget accounts:			
Individual income taxes	4,815,312	5,078,504	5,399,835
Corporation income taxes	810,493	773,053	757,234
Excise taxes	78,302	86,743	89,300
Estate and gift taxes	20,465	18,817	20,192
Applicable to trust accounts:			
Federal old-age and survivors insurance trust fund	86,240	129,760	127,850
Federal disability insurance trust fund	9,500	11,908	11,575
Highway trust fund	125,703	131,303	126,319
Railroad retirement account	99	47	109
Unemployment trust fund	2,196	4,991	3,097
Subtotal internal revenue refunds	5,948,309	6,235,124	6,535,511
Customs	25,440	29,319	35,175
Other	2,261	1,226	701
Total refunds of receipts	5,976,009	6,265,669	6,571,387
Transfers to trust accounts: [6]			
Federal old-age and survivors insurance trust fund	10,537,231	10,600,022	12,351,191
Federal disability insurance trust fund	953,312	944,542	993,763
Highway trust fund	2,797,538	2,948,690	3,278,698
Railroad retirement account	570,713	564,264	571,534
Unemployment trust fund	343,161	452,638	945,367
Total transfers to trust accounts	15,201,955	15,510,156	18,140,552

Footnotes at end of table.

TABLE 4.—*Administrative budget receipts and expenditures, fiscal years 1961, 1962, and 1963*—Continued

[In thousands of dollars]

Receipts [1] and expenditures	Fiscal year 1961 [2]	Fiscal year 1962 [2]	Fiscal year 1963
Deduct—Continued			
Interfund transactions:			
Interest on loans to Government-owned enterprises	639,997	619,789	499,383
Reimbursements	13,211	12,239	13,623
Fees and other charges	745	628	390
Total interfund transactions [7]	653,953	632,656	513,397
Total deductions	21,831,916	22,408,482	25,225,336
Net administrative budget receipts	77,659,425	81,409,092	86,376,210
EXPENDITURES [8]			
Legislative branch:			
Senate	26,877	26,899	29,310
House of Representatives	47,324	50,322	52,983
Architect of the Capitol	31,435	42,265	33,516
Botanic Garden	834	450	459
Library of Congress	15,360	16,587	18,264
Government Printing Office:			
General fund appropriations	15,850	19,401	19,613
Revolving fund (net)	−4,205	−2,600	−6,939
Total legislative branch	133,474	153,325	147,205
The judiciary:			
Supreme Court of the United States	1,975	1,962	2,012
Court of Customs and Patent Appeals	330	324	364
Customs Court	851	888	903
Court of Claims	897	933	1,026
Courts of appeals, district courts, and other judicial services	47,950	52,641	57,243
Total the judiciary	52,003	56,747	61,546
Executive Office of the President:			
Compensation of the President	150	150	150
The White House Office	2,332	2,454	2,502
Special projects	1,382	1,403	1,039
Executive mansion and grounds	640	717	660
Bureau of the Budget	5,260	5,304	5,825
Council of Economic Advisers	421	506	675
National Aeronautics and Space Council		203	394
National Security Council	794	503	485
Office of Emergency Planning:			
Civil defense procurement fund (net)	−64	7	
Emergency preparedness functions of Federal agencies	6,014	4,746	4,792
Other	52,680	13,024	6,150
Office of Science and Technology			464
Miscellaneous	2	−17	−22
Total Executive Office of the President	69,611	29,000	23,113
Funds appropriated to the President:			
Disaster relief	7,456	14,592	30,803
Emergency fund for the President	490	723	389
Expansion of defense production (net)	−12,396	11,212	−57,069
Expenses of management improvement	232	154	127
Peace Corps		11,409	42,259
International financial institutions:			
Investment in Inter-American Development Bank		110,000	60,000
Subscription to the International Development Association	73,667	61,656	61,656
Public works acceleration			62,460
Transitional grants to Alaska	6,033	5,944	3,110
Other	1,124	595	671

Footnotes at end of table.

TABLE 4.—*Administrative budget receipts and expenditures, fiscal years 1961, 1962, and 1963*—Continued

[In thousands of dollars]

Expenditures	Fiscal year 1961 [2]	Fiscal year 1962 [3]	Fiscal year 1963
Funds appropriated to the President—Continued			
Foreign assistance:			
Military:			
Office of Secretary of Defense:			
Repayment of credit sales [9]	−17,567	−14,572	−46,402
Other	141,946	39,172	123,984
Department of the Army	643,943	611,139	806,322
Department of the Navy	168,426	182,480	198,314
Department of the Air Force	501,344	561,453	630,051
Agency for International Development	4,019	2,975	570
All other agencies	6,520	7,363	7,915
Total military	1,448,630	1,390,011	1,720,755
Economic:			
Defense Department	33,512	7,391	2,980
Agency for International Development	1,320,188	1,126,397	913,537
Alliance for Progress, development grants			30,478
Inter-American cooperation		80,555	113,464
Public enterprise funds (net):			
Alliance for Progress, development loans			190,595
Development loan funds	258,414	421,096	685,622
Foreign investment guarantee fund	−1,673	−1,650	−2,931
All other agencies	194,943	202,508	109,347
Total economic	1,805,384	1,836,297	2,043,092
Total foreign assistance	3,254,014	3,226,309	3,763,846
Total funds appropriated to the President	3,330,620	3,442,593	3,968,252
Agriculture Department:			
Agricultural Research Service:			
Intragovernmental funds (net)	81	−117	137
Other	185,435	195,392	175,618
Cooperative State Experiment Station Service			37,992
Extension Service	67,341	70,254	74,545
Farmer Cooperative Service	637	641	654
Soil Conservation Service:			
Conservation operations	86,887	89,008	92,997
Flood prevention, watershed protection, and other	50,157	59,019	79,608
Great Plains conservation program	8,635	9,041	9,746
Economic Research Service		8,190	9,742
Statistical Reporting Service	−7	7,681	10,019
Agricultural Marketing Service:			
Marketing research and service	45,820	37,882	40,615
Payments to States and possessions	1,195	1,325	1,425
Special milk program			95,370
School lunch program	154,359	169,112	169,596
Removal of surplus agricultural commodities	203,287	214,833	[10] 131,784
Intragovernmental funds (net)	56	23	−5
Other	795	736	773
Total Agricultural Marketing Service	405,510	423,911	439,556
Foreign Agricultural Service	13,530	14,998	16,562
Commodity Exchange Authority	964	1,006	1,048
Agricultural Stabilization and Conservation Service:			
Expenses, Agricultural Stabilization and Conservation Service			88,484
Acreage allotments and marketing quotas	43,532	43,995	78
Sugar act program	72,220	80,188	76,929
Agricultural conservation program	249,744	264,198	210,788
Land-use adjustment program			3,996
Emergency conservation measures	549	8,797	2,701
Soil bank program	363,212	343,989	305,378
Intragovernmental funds (net)	−3,238	−6,017	11,010
Foreign assistance programs		1,594,000	2,091,022

Footnotes at end of table.

TABLE 4.—*Administrative budget receipts and expenditures, fiscal years 1961, 1962, and 1963*—Continued

[In thousands of dollars]

Expenditures	Fiscal year 1961 [2]	Fiscal year 1962 [2]	Fiscal year 1963
Agriculture Department—Continued			
Commodity Credit Corporation:			
Public enterprise funds (net):			
Price support and related programs and special milk [11]	1,417,529	2,143,133	3,115,735
Special activities financed by Commodity Credit Corporation [12]	1,989,081	492,652	−68,672
Total Commodity Credit Corporation	3,406,610	2,635,784	3,047,063
Federal Crop Insurance Corporation:			
Administrative expenses	6,636	6,120	6,794
Federal Crop Insurance Corporation fund (net)	−6,801	1,114	7,713
Rural Electrification Administration:			
Loans	291,478	293,044	331,656
Salaries and expenses	9,901	9,920	10,396
Farmers Home Administration:			
Regular loans	267,199	78,066	------------
Rural housing grants and loans	57,651	106,214	184,204
Salaries and expenses	32,642	34,140	35,690
Public enterprise funds (net):			
Direct loan account	------------	−6,445	55,012
Emergency credit revolving fund	1,475	35,441	7,384
Agricultural credit insurance fund	−6,144	−7,216	13,549
Total Farmers Home Administration	352,823	240,200	295,838
Office of Rural Areas Development	------------	−296	−156
Office of General Counsel	3,409	3,611	3,774
Office of Information	1,574	1,595	1,577
Centennial observance of Agriculture	------------	41	59
National Agricultural Library	946	1,010	1,154
General administration:			
Intragovernmental funds (net)	77	−172	241
Other	3,029	3,003	3,424
Forest Service:			
Acquisition of lands, Klamath Indians	68,717	------------	------------
Intragovernmental funds (net)	−560	324	256
Other	246,385	265,212	286,861
Total Agriculture Department	5,929,416	6,668,684	7,735,260
Commerce Department:			
General administration:			
Public enterprise funds (net)	−7	−7	−13
Other	3,738	9,942	7,669
Economic development:			
Area Redevelopment Administration:			
Public enterprise funds (net)	------------	−1	−495
Other	------------	7,340	39,460
Business and Defense Services Administration	4,600	4,129	3,993
Office of Business Economics	1,483	1,549	1,848
Bureau of the Census	33,624	19,133	19,393
Office of Field Services	2,605	3,099	3,388
International activities	5,929	7,841	10,026
Office of Trade Adjustment	------------	------------	3
U.S. Travel Service	------------	1,481	2,902
Total economic development	48,241	44,572	80,518
Science and technology:			
Civilian industrial technology	------------	------------	3
Coast and Geodetic Survey	18,059	21,631	25,077
Patent Office	23,137	24,861	26,504
National Bureau of Standards:			
Intragovernmental funds (net)	−119	−795	−3,513
Other	22,299	30,497	44,918
Office of Technical Services	------------	------------	1,099
Weather Bureau	55,592	64,334	85,294
Total science and technology	118,968	140,527	179,382

Footnotes at end of table.

TABLE 4.—*Administrative budget receipts and expenditures, fiscal years 1961, 1962, and 1963*—Continued

[In thousands of dollars]

Expenditures	Fiscal year 1961 [2]	Fiscal year 1962 [2]	Fiscal year 1963
Commerce Department—Continued			
Transportation:			
Inland Waterways Corporation (net)	(*)	−853	−825
Maritime Administration:			
Public enterprise funds (net)	−2,260	−2,700	9,131
Operating-differential subsidies	150,143	181,919	220,677
Other	133,934	178,909	134,989
Bureau of Public Roads [13]	45,733	41,701	44,121
Transportation research			1
Total transportation	327,550	398,976	408,094
Total Commerce Department	498,489	594,010	675,650
Defense Department:			
Military functions:			
Military personnel:			
Department of the Army	4,036,564	4,414,923	4,302,548
Department of the Navy	3,252,282	3,416,856	3,485,621
Department of the Air Force	4,009,915	4,305,915	4,196,666
Defense agencies	786,067	894,441	1,014,673
Total military personnel	12,084,828	13,032,135	12,999,509
Operation and maintenance:			
Department of the Army	3,411,975	3,873,028	3,757,264
Department of the Navy	2,868,018	3,052,995	3,054,749
Department of the Air Force	4,440,473	4,654,506	4,682,113
Defense agencies	45,518	58,314	351,169
Subtotal	10,765,984	11,638,843	11,845,295
Classification adjustment [14]	−154,521	−44,914	
Total operation and maintenance	10,611,463	11,593,929	11,845,295
Procurement:			
Department of the Army	1,526,180	1,815,226	2,370,713
Department of the Navy	4,724,970	5,234,698	6,584,290
Department of the Air Force	8,691,243	8,851,320	7,698,028
Defense agencies			6,774
Subtotal	14,942,393	15,901,244	16,659,805
Classification adjustment [14]	−213,818	−1,369,194	−339,100
Total procurement	14,728,575	14,532,050	16,320,705
Research, development, test, and evaluation:			
Department of the Army	1,081,729	1,249,655	1,354,425
Department of the Navy	1,191,813	1,298,749	1,429,341
Department of the Air Force	1,659,464	2,174,626	3,300,374
Defense agencies	195,576	181,457	291,424
Subtotal	4,128,581	4,904,487	6,375,564
Classification adjustment [14]	368,339	1,414,108	339,100
Total research, development, test, and evaluation	4,496,920	6,318,595	6,714,664
Military construction:			
Department of the Army	275,524	206,157	178,352
Department of the Navy	276,227	189,280	195,784
Department of the Air Force	1,014,645	897,018	741,984
Defense agencies	38,817	54,674	27,468
Total military construction	1,605,213	1,347,129	1,143,588
Family housing:			
Department of the Army			155,499
Department of the Navy			87,843
Department of the Air Force			181,291
Defense agencies			2,026
Total family housing			426,658

Footnotes at end of table.

TABLE 4.—*Administrative budget receipts and expenditures, fiscal years 1961, 1962, and 1963*—Continued

[In thousands of dollars]

Expenditures	Fiscal year 1961 [2]	Fiscal year 1962 [2]	Fiscal year 1963
Defense Department—Continued			
Military functions—Continued			
Civil defense		90,435	202,614
Revolving and management funds (net):			
Public enterprise funds:			
Department of the Army:			
Defense housing	−25	−25	
Defense production guarantees	−243	−133	−72
Department of the Navy:			
Defense production guarantees	−480	3,028	−696
Other	−137	−87	−24
Department of the Air Force, defense production guarantees	−544	−3,754	4,436
Defense agencies	38,738	28,378	
Civil defense procurement fund		17	−41
Intragovernmental funds:			
Department of the Army	−201,413	−132,199	−464,729
Department of the Navy	−98,396	64,664	−743,917
Department of the Air Force	−37,502	−39,835	17,949
Defense agencies		−18,973	−213,519
Total revolving and management funds	−300,002	−98,918	−1,400,613
Total military functions	43,226,997	46,815,355	48,252,421
Civil functions:			
Army:			
Corps of Engineers:			
Rivers and harbors and flood control	931,639	946,164	1,069,380
Intragovernmental funds (net)	−5,502	890	2,543
The Panama Canal:			
Canal Zone Government	22,627	23,524	26,720
Panama Canal Company:			
Public enterprise funds (net)	5,902	1,724	8,364
Thatcher Ferry Bridge	2,256	10,806	1,716
Total the Panama Canal	30,786	36,054	36,801
Other	15,406	16,201	19,314
Air Force, wildlife conservation, etc	30	30	28
Total civil functions	972,358	999,337	1,128,066
Total Defense Department	44,199,355	47,814,692	49,380,487
Health, Education, and Welfare Department:			
Food and Drug Administration	18,737	21,487	29,227
Office of Education:			
Payments to school districts	207,749	226,419	276,869
Assistance for school construction	71,041	56,490	66,242
Defense educational activities	143,139	181,359	198,336
Other	68,845	78,502	82,268
Office of Vocational Rehabilitation	70,489	84,713	97,504
Public Health Service:			
Community health:			
Hospital construction activities	158,185	167,200	189,117
Other	49,071	64,378	80,616
Environmental health	67,520	82,785	111,537
Medical services	117,253	117,250	118,799
National Institutes of Health	442,459	580,762	723,596
Operation of commissaries, narcotic hospitals (net)	−9	2	3
Emergency health activities		3,311	19,998
Other	21,807	12,397	10,939
Total Public Health Service	856,286	1,028,085	1,254,604
Saint Elizabeths Hospital	5,216	7,531	7,490
Social Security Administration:			
Grants to States for public assistance	2,166,986	2,432,141	2,729,582
Grants for maternal and child welfare	51,522	68,251	76,058
Operating fund, Bureau of Federal Credit Unions (net)	−139	−162	−132
Other	5,819	7,186	61,421

Footnotes at end of table.

TABLE 4.—*Administrative budget receipts and expenditures, fiscal years 1961, 1962, and 1963*—Continued

[In thousands of dollars]

Expenditures	Fiscal year 1961 [2]	Fiscal year 1962 [2]	Fiscal year 1963
Health, Education, and Welfare Department—Continued			
Special institutions:			
American Printing House for the Blind	400	670	719
Freedmen's Hospital	3,416	3,493	3,740
Gallaudet College	1,678	3,169	1,983
Howard University	6,294	7,792	11,127
Office of the Secretary:			
Intragovernmental funds (net)	34	−350	49
Other	7,192	8,676	12,174
Total Health, Education, and Welfare Department	3,684,705	4,215,450	4,909,340
Interior Department:			
Public land management:			
Bureau of Land Management	91,741	97,709	113,568
Bureau of Indian Affairs:			
Public enterprise funds (net):			
Revolving fund for loans	266	1,786	4,861
Other	1	−3	2
Other	131,009	147,859	191,330
National Park Service	89,551	93,472	110,543
Bureau of Outdoor Recreation	----------	19	969
Office of Territories:			
Public enterprise funds (net)	−34	6	23
Other	17,404	22,977	31,034
The Alaska Railroad (net)	−109	−1,483	−942
Mineral resources:			
Geological Survey	44,332	49,909	56,491
Bureau of Mines:			
Public enterprise funds (net)	941	955	−9,508
Other	31,828	33,824	37,366
Office of Coal Research	47	373	1,470
Office of Minerals Exploration	392	380	2,060
Office of Oil and Gas	504	510	556
Fish and Wildlife Service:			
Office of Commissioner of Fish and Wildlife	342	349	376
Bureau of Commercial Fisheries:			
Public enterprise funds (net)	1,172	956	−1,402
Other	15,953	23,614	27,166
Bureau of Sports Fisheries and Wildlife	53,682	54,514	65,791
Water and power development:			
Bureau of Reclamation:			
Public enterprise funds (net):			
Continuing fund for emergency expenses, Fort Peck project, Montana	−1,547	−2,485	−996
Upper Colorado River Basin fund	56,979	92,471	106,529
Other	210,639	242,284	238,644
Total Bureau of Reclamation	266,070	332,270	344,177
Bonneville Power Administration	36,632	29,453	29,970
Southeastern Power Administration	423	362	457
Southwestern Power Administration	5,715	5,640	6,216
Office of Saline Water	3,346	4,113	8,674
Secretarial offices:			
Office of the Solicitor	3,356	3,493	3,677
Office of the Secretary	2,759	3,141	3,322
Virgin Islands Corpoartion (net)	3,483	1,617	554
Total Interior Department	800,809	907,816	1,028,800
Justice Department:			
Legal activities and general administration	48,144	52,203	58,083
Federal Bureau of Investigation	125,048	126,483	135,527
Immigration and Naturalization Service	61,985	63,216	66,323
Federal Prison System:			
Federal Prison Industries, Inc. (net)	−2,871	−4,302	−3,121
Other	51,920	56,841	60,222
Total Justice Department	284,226	294,441	317,035

Footnotes at end of table.

TABLE 4.—*Administrative budget receipts and expenditures, fiscal years 1961, 1962, and 1963*—Continued

[In thousands of dollars]

Expenditures	Fiscal year 1961 [2]	Fiscal year 1962 [2]	Fiscal year 1963
Labor Department:			
Bureau of Labor Statistics	12,298	14,329	15,825
Bureau of International Labor Affairs	------------	217	791
Office of Manpower, Automation, and Training:			
Manpower development and training	------------	------------	51,824
Other	------------	7,241	7,067
Bureau of Apprenticeship and Training	4,310	4,694	5,291
Bureau of Employment Security:			
Advances to employment security administration account, unemployment trust fund (net)	48,590	31,440	−85,248
Payment to the Federal extended compensation account	498,139	332,922	2,392
Unemployment compensation for Federal employees and ex-servicemen	171,043	129,359	152,859
Farm labor supply revolving fund (net)	−788	−366	−1,226
Other	4,889	2,479	2,930
Total Bureau of Employment Security	721,871	495,833	71,707
Bureau of Veterans' Reemployment Rights	639	606	653
Bureau of Labor Standards	2,638	2,973	4,156
Bureau of Labor-Management Reports	5,656	5,144	5,929
Bureau of Employees' Compensation:			
Employees' compensation claims and expenses	62,206	63,906	65,262
Other	3,379	3,792	3,894
Women's Bureau	541	575	914
Wage and Hour Division	12,230	15,218	17,789
Office of the Solicitor	2,825	3,825	4,306
Office of the Secretary	1,938	1,443	1,871
Total Labor Department	830,532	619,796	257,279
Post Office Department:			
Payment for public services	49,000	62,700	------------
Public enterprise fund (net)—postal fund	864,985	734,176	770,335
Total Post Office Department	913,985	796,876	770,335
State Department:			
Administration of foreign affairs:			
Salaries and expenses	126,201	122,114	[15] 151,915
Acquisition, operation, and maintenance of buildings abroad	15,442	17,048	13,427
Payment to foreign service retirement and disability fund	2,540	------------	------------
Intragovernmental funds (net)	101	214	−1,450
Other	7,600	4,021	2,957
Total administration of foreign affairs	151,884	143,398	166,849
International organizations and conferences:			
Contributions to international organizations	48,271	93,820	94,554
Loans to the United Nations	------------	------------	72,070
Other	4,399	4,338	4,231
International commissions	6,940	12,524	15,999
Educational exchange	37,337	48,312	45,580
Other	9,086	4,173	9,211
Total State Department	257,916	306,564	408,493
Treasury Department:			
Office of the Secretary:			
Public enterprise funds (net):			
Reconstruction Finance Corporation liquidation fund	−3,952	−1,380	−3,127
Federal Farm Mortgage Corporation liquidation fund	------------	−274	−533
Civil defense program fund	−137	−138	−135
Intragovernmental funds (net)	1	------------	−1
Other	3,555	4,196	4,625

Footnotes at end of table.

TABLE 4.—*Administrative budget receipts and expenditures, fiscal years 1961, 1962, and 1963*—Continued

[In thousands of dollars]

Expenditures	Fiscal year 1961 [3]	Fiscal year 1962 [3]	Fiscal year 1963
Treasury Department—Continued			
Bureau of Accounts:			
Interest on uninvested funds	10,068	10,357	10,917
Payment to unemployment trust fund	1,216		
Claims, judgments, and relief acts	28,998	43,141	26,248
Government losses in shipment fund (net)	86	67	536
Salaries and expenses	24,115	28,145	31,935
Bureau of the Public Debt	47,260	47,146	48,787
Office of the Treasurer:			
Check forgery insurance fund (net)	11		−2
Other	16,737	15,710	16,111
Bureau of Customs	58,896	62,699	67,268
Internal Revenue Service:			
Interest on refunds of taxes	82,749	67,806	73,857
Payments to Puerto Rico for taxes collected	24,998	29,777	44,780
Salaries and expenses	408,092	443,134	497,273
Bureau of Narcotics	4,276	4,356	4,659
U.S. Secret Service	6,263	6,710	7,540
Bureau of the Mint	5,799	7,311	7,534
Bureau of Engraving and Printing:			
Intragovernmental funds (net)	569	−20	−2,272
Other	124	645	43
U.S. Coast Guard:			
Intragovernmental funds (net)	51	300	−2,195
Other	276,154	283,557	298,777
Interest on the public debt: [16]			
Public issues	7,707,134	7,857,633	8,604,272
Special issues	1,250,108	1,262,126	1,291,032
Total interest on the public debt	8,957,242	9,119,760	9,895,304
Total Treasury Department	9,953,171	10,173,006	11,027,931
Atomic Energy Commission	2,713,465	2,805,631	2,757,876
Federal Aviation Agency:			
Grants-in-aid for airports	582	1,013	24,740
Other	637,883	697,397	701,570
Total Federal Aviation Agency	638,465	698,410	726,311
General Services Administration:			
Real property activities:			
Construction, public buildings projects	68,983	71,336	91,779
Repair and improvement of public buildings	49,422	59,462	62,502
Intragovernmental funds (net)	3,031	−16,233	5,707
Other	187,797	204,817	232,420
Personal property activities:			
Intragovernmental funds (net)	−4,521	32,111	−17,895
Other	31,047	33,242	40,091
Utilization and disposal activities	1,474	8,583	9,699
Records activities	13,810	13,960	14,389
Transportation and communications activities	2,495	3,453	4,652
Defense materials activities:			
Public enterprise funds (net)	−653	−86	
Intragovernmental funds (net)	75	−1	−859
Strategic and critical materials	35,244	33,635	22,671
General activities:			
Public enterprise funds (net)	−1,864	−195	−168
Intragovernmental funds (net)	−309	−328	−700
Other	893	1,503	1,609
Total General Services Administration	386,924	445,259	465,896
Housing and Home Finance Agency:			
Office of the Administrator:			
Public enterprise funds (net):			
College housing loans	198,175	227,341	283,574
Liquidating programs	−87,622	−5,651	−2,014
Urban renewal fund	144,538	226,949	173,208
Other	9,955	30,484	53,608
Open-space land grants		110	265
Other	13,850	19,400	27,180
Total Office of the Administrator	278,895	498,633	535,821

Footnotes at end of table.

TABLE 4.—*Administrative budget receipts and expenditures, fiscal years 1961, 1962, and 1963*—Continued

[In thousands of dollars]

Expenditures	Fiscal year 1961 [2]	Fiscal year 1962 [2]	Fiscal year 1963
Housing and Home Finance Agency—Continued			
Federal National Mortgage Association (net):			
Subscription to capital stock, secondary market operations	16,000		
Management and liquidating functions fund	−74,448	−176,914	−162,265
Special assistance functions fund	133,687	53,559	−277,044
Total Federal National Mortgage Association	75,239	−123,355	−439,309
Federal Housing Administration (net)	−7,230	199,218	134,951
Public Housing Administration (net)	154,986	164,830	178,867
Total Housing and Home Finance Agency	501,890	739,327	410,330
National Aeronautics and Space Administration	744,309	1,257,048	2,552,347
Veterans' Administration:			
Compensation, pensions, and benefit programs	4,074,402	3,898,002	4,001,326
Public enterprise funds (net):			
Direct loans to veterans and reserves	152,373	92,774	−86,187
Loan guaranty revolving fund		143,522	−22,922
Other	−21,262	14,501	−20,676
Other	1,195,809	1,242,794	1,301,282
Total Veterans' Administration	5,401,321	5,391,592	5,172,823
Other independent agencies:			
Advisory Commission on Intergovernmental Relations	138	277	412
Alaska International Rail and Highway Commission	108	4	−1
American Battle Monuments Commission	2,446	1,833	1,826
Central Intelligence Agency—construction	19,307	7,497	1,722
Civil Aeronautics Board:			
Payments to air carriers	77,856	82,423	81,857
Other	7,685	8,373	9,374
Civil Service Commission:			
Payment to civil service retirement and disability fund	46,329	44,637	30,000
Government payment for annuitants, employees health benefits fund	2,500	2,877	6,789
Government contribution, retired employees health benefits fund	1,625	13,800	13,200
Other	23,988	24,160	23,694
Total Civil Service Commission	74,442	85,474	73,683
Commission of Fine Arts	61	68	82
Commission on Civil Rights	815	744	1,046
Commission on International Rules of Judicial Procedure			3
Export-Import Bank of Washington (net)	37,390	101,087	−391,550
Farm Credit Administration:			
Public enterprise funds (net):			
Federal Farm Mortgage Corporation fund	−1,736	−693	
Short-term credit investment fund [17]	3,910	3,535	13,310
Banks for cooperatives investment fund	−8,052	−11,470	−11,980
Total public enterprise funds	−5,879	−8,628	1,330
Administrative expenses	2,459	2,453	2,567
Total Farm Credit Administration	−3,420	−6,175	3,898
Federal Coal Mine Safety Board of Review	55	58	59
Federal Communications Commission	11,948	13,371	14,088
Federal Home Loan Bank Board (net):			
Federal Savings and Loan Insurance Corporation fund	−35,192	−236,283	−263,543
Other	93	−505	−118
Federal Maritime Commission		1,163	2,142
Federal Mediation and Conciliation Service	4,147	4,479	5,052
Federal Power Commission	8,003	8,786	10,712
Federal Trade Commission	7,854	9,562	11,515
Foreign Claims Settlement Commission	488	613	804
General Accounting Office	40,861	41,039	42,294
Historical and memorial commissions	279	108	100
Indian Claims Commission	200	240	269

Footnotes at end of table

TABLE 4.—*Administrative budget receipts and expenditures, fiscal years 1961, 1962, and 1963*—Continued

[In thousands of dollars]

Expenditures	Fiscal year 1961 [3]	Fiscal year 1962 [3]	Fiscal year 1963
Other independent agencies—Continued			
Interstate Commerce Commission	22,139	36,646	23,519
National Capital Housing Authority	40	41	40
National Capital Planning Commission	762	535	1,882
National Capital Transportation Agency	135	826	2,323
National Labor Relations Board	17,967	18,623	20,945
National Mediation Board	1,498	1,813	1,812
National Science Foundation	143,493	182,689	206,372
Outdoor Recreation Resources Review Commission	1,127	664	88
Participation in Interstate Federal Commissions:			
Delaware River Basin Commission			130
Interstate Commission on the Potomac River Basin	5	5	5
President's Advisory Committee on Labor-Management Policy	6	108	120
Railroad Retirement Board	13,000	7,000	−601
Renegotiation Board	2,895	2,591	2,325
St. Lawrence Seaway Development Corp. (net)	2,477	536	1,437
Securities and Exchange Commission	9,331	10,988	13,207
Selective Service System	32,845	35,097	34,489
Small Business Administration:			
Public enterprise funds (net)	95,613	222,776	137,408
Salaries and expenses	6,039	6,825	4,850
Other	880	343	150
Total Small Business Administration	102,531	229,944	142,407
Smithsonian Institution	21,240	25,512	20,204
Subversive Activities Control Board	299	331	338
Tariff Commission	2,541	2,641	2,767
Tax Court of the United States	1,627	1,683	1,770
Tennessee Valley Authority (net)	38,691	102,969	53,449
U.S. Arms Control and Disarmament Agency		1,033	2,333
U.S. Information Agency:			
Informational media guarantee fund (net)	4,487	1,383	1,850
Salaries and expenses	105,512	119,801	131,564
Radio construction	3,939	16,300	14,756
Other	7,217	10,985	7,294
Total U.S. Information Agency	121,155	148,469	155,463
U.S. study commissions	2,635	1,756	775
Total other independent agencies	794,003	936,737	293,322
District of Columbia:			
Federal payment to District of Columbia	30,233	32,753	33,199
Advances for general expenses (repayable)	8,000	−5,000	7,000
Loans to District of Columbia for capital outlay	12,200	44,250	24,950
Loans to District of Columbia (stadium fund)		416	416
Interfund transactions (−)[7]	−653,953	−632,656	−513,397
Net administrative budget expenditures	81,515,167	87,786,767	92,641,797
Administrative budget surplus (+), or deficit (−)	−3,855,743	−6,377,675	−6,265,587

Footnotes on page 455.

* Less than $500.

[1] Internal revenue and customs receipts are stated on a collection basis. Other receipts are reported on a deposits confirmed basis. See "Bases of Tables," annual report 1962, p. 502.

[2] Certain figures for the fiscal years 1961 and 1962 have been adjusted to correspond to classifications for fiscal 1963.

[3] Distribution between income taxes and employment taxes is made in accordance with provisions of section 201 of the Social Security Act, as amended, for transfer to the Federal old-age and survivors and Federal disability insurance trust funds (42 U.S.C. 401(a)).

[4] Includes adjustment of prior estimates as follows: Income taxes withheld, $231,285,898; income taxes—other, —$47,907,270; transfers to Federal old-age and survivors insurance trust fund, $167,041,002; and transfers to Federal disability insurance trust fund, $16,337,625.

[5] Amounts of refunds of principal of overpaid taxes formerly reported net of reimbursements from trust fund accounts are reported herein on a gross basis. These reimbursements to the Internal Revenue Service for refunds are included and netted with amounts of transfers to the respective trust fund accounts.

[6] The principal amount of refunds of employment taxes and excise (highway) taxes are excluded from the transfers and are included in refunds of internal revenue receipts applicable to trust accounts.

[7] Mainly interest payments by Government corporations and agencies that borrow from the Treasury. For details of these interfund transactions, fiscal years 1960-63, see table 8. These interfund transactions deducted from budget receipts and expenditures do not include payments to the Treasury by wholly owned Government corporations for retirement of their capital stock and for disposition of earnings. Those capital transfers have been excluded from budget receipts and expenditures since July 1, 1948.

[8] Expenditures are stated on the basis of checks issued (except interest on the public debt) and certain cash payments. See "Bases of Tables."

[9] Net cash transactions under provisions of section 2(a)(3) of an act, approved Aug. 14, 1957 (22 U.S.C. 1813(c)).

[10] Includes $18,639,781 transferred to trust account, Agriculture Department, food stamp program, pursuant to section 32 of the act of Aug. 24, 1935, as amended (7 U.S.C. 612).

[11] Residual of gross receipts and expenditures after reduction for noncash costs which are included in amounts shown for special activities financed by Commodity Credit Corporation.

[12] Includes certain amounts transferred from price support operations for which expenditures may have been made in prior years.

[13] Most Bureau of Public Roads expenditures are made from the highway trust fund and do not appear in this table.

[14] Estimated adjustments to reclassify expenditures for comparability with the latest budget appropriation structure. These adjustments are between the major categories of expenditures and do not affect the total expenditures for military functions. Amounts shown for the respective departments represent the expenditures as recorded in accounts of the departments and do not include any adjustments for comparability.

[15] Gives effect to reimbursements collected for administrative support furnished to other agencies amounting to $69,166,117.

[16] Expenditures are stated on an accrual basis.

[17] In accordance with legislation approved on Oct. 3, 1961 (12 U.S.C. 1131i), the investment funds for Federal intermediate credit banks and production credit associations were combined into a single investment fund.

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TABLE 5.—*Trust receipts and expenditures, fiscal years 1961, 1962, and 1963*

[In thousands of dollars. On basis of "Monthly Statement of Receipts and Expenditures of the United States Government," see "Bases of Tables"]

Receipts	Fiscal year 1961 [1]	Fiscal year 1962 [1]	Fiscal year 1963
Legislative Branch:			
Payments from general fund	179	179	179
Other	1,452	1,263	1,451
The judiciary:			
Judicial survivors annuity fund:			
Contributions	503	554	595
Interest on investments	49	60	63
Funds appropriated to the President:			
Foreign assistance-military	227,604	354,944	949,789
Foreign assistance-economic	2,110	1,389	3,624
Other		19	128
Agriculture Department	41,383	46,335	51,035
Commerce Department:			
Highway trust fund: [2]			
Transfers from general fund receipts	2,923,241	3,079,993	3,405,017
Less refunds of taxes [3]	−125,703	−131,303	−126,319
Advances from general fund	60,000		
Less return of advances to the general fund	−60,000		
Interest on investments	2,018	6,772	14,268
Total highway trust fund	2,799,555	2,955,462	3,292,966
Other	28,503	11,076	28,499
Defense Department:			
Military functions	3,845	5,052	5,549
Civil functions:			
Payments from general fund	2,740	2,849	2,957
Other	19,953	24,441	34,689
Health, Education, and Welfare Department:			
Federal old-age and survivors insurance trust fund: [4]			
Transfers from general fund receipts:			
Appropriated	10,623,471	10,714,782	12,466,041
Unappropriated		15,000	13,000
Less refunds of taxes [3]	−86,240	−129,760	−127,850
Deposits by States	755,445	869,621	989,571
Interest and profits on investments	530,226	539,049	512,408
Other	999	2,275	2,490
Total Federal old-age and survivors insurance trust fund	11,823,901	12,010,967	13,855,660
Federal disability insurance trust fund: [5]			
Transfers from general fund receipts:			
Appropriated	962,812	955,450	1,006,338
Unappropriated		1,000	−1,000
Less refunds of taxes [3]	−9,500	−11,907	−11,575
Deposits by States	68,690	77,324	81,858
Interest and profits on investments	61,487	69,956	69,635
Total Federal disability insurance trust fund	1,083,489	1,091,822	1,145,256
Other	545	512	541
Interior Department:			
Indian tribal funds	114,130	40,200	46,504
Payments from general fund	22,637	40,431	22,654
Other	11,905	14,435	11,455
Labor Department:			
Unemployment trust fund: [6]			
Employment security administration account:			
Transfers (Federal unemployment taxes):			
Appropriated	345,980	457,258	948,339
Unappropriated	593	371	126
Less refunds of taxes [3]	−2,196	−4,991	−3,097
Advances fom general (revolving) fund	301,500	320,312	173,500
Less return of advances to the general fund	−250,000	−285,400	−255,412
State accounts—deposits by States	2,398,100	2,728,617	3,008,934
Federal unemployment account-less transfer of receipts to Labor Department	−1		
Railroad unemployment insurance account:			
Deposits by Railroad Retirement Board	152,709	147,111	149,798
Advances from railroad retirement account	132,345	101,470	37,699
Advances from general fund	13,000	7,000	
Less return of advances to the general fund			−601

Footnotes at end of table.

TABLE 5.—*Trust receipts and expenditures, fiscal years 1961, 1962, and 1963*—Con.

[In thousands of dollars]

Receipts	Fiscal year 1961 [1]	Fiscal year 1962 [1]	Fiscal year 1963
Labor Department—Continued			
Unemployment trust fund [6]—Continued			
Railroad unemployment insurance administration fund:			
Deposits by Railroad Retirement Board	8,599	8,148	7,884
Federal extended compensation account:			
Advances from general fund	498,139	332,922	2,392
Interest and profits on investments	204,488	172,555	191,107
Total unemployment trust fund	3,803,256	3,985,372	4,260,668
Transfer from unemployment trust fund	1		
Other	85	72	39
State Department:			
Foreign service retirement and disability fund:			
Deductions from salaries and other receipts	3,540	3,213	3,298
Employing agency contributions	2,540	2,853	3,136
Receipts from civil service retirement and disability fund		2,836	336
Interest on investments	1,247	1,369	1,461
Other	291	372	110
Treasury Department	15,733	15,840	16,454
Atomic Energy Commission			274
Federal Aviation Agency	3		3
General Services Administration	833	3,715	2,001
National Aeronautics and Space Administration		1	1
Veterans' Administration:			
Government life insurance fund:			
Premiums and other receipts	19,688	18,097	16,926
Payments from general fund	180	166	−240
Interest on investments	37,830	36,044	35,114
National service life insurance fund:			
Premiums and other receipts	483,796	482,781	476,733
Payments from general fund	8,449	6,885	5,993
Interest on investments	175,395	174,202	175,023
Other	1,720	1,905	1,889
Total Veterans' Administration	727,057	720,081	711,438
Other independent agencies:			
Civil Service Commission:			
Civil Service retirement and disability fund:			
Deductions from employees' salaries, etc	843,764	851,145	920,753
Payments from other funds:			
Employing agency contributions	843,859	851,251	920,853
Federal contribution	46,329	44,637	30,000
Voluntary contributions, donations, etc	11,882	12,375	13,191
Interest and profits on investments	280,176	315,848	362,259
Total Civil Service Commission	2,026,009	2,075,256	2,247,055
Railroad Retirement Board:			
Railroad retirement account:			
Transfers (Railroad Retirement Act taxes):			
Appropriated	570,165	559,704	559,049
Unappropriated	548	4,561	12,486
Interest and profits on investments	110,921	107,413	105,214
Interest on advances to railroad unemployment insurance account	1,020	12,390	8,946
Repayment of advances to railroad unemployment insurance account	31,205	24,825	
Payment from Federal old-age and survivors and Federal disability insurance trust funds	336,882	371,818	442,132
Total Railroad Retirement Board	1,050,741	1,080,710	1,127,826
Other	492	83	24,325
District of Columbia:			
Revenues from taxes, etc	206,667	221,982	253,836
Payments from general fund:			
Federal contribution	30,233	32,753	33,199
Advances for general expenses	8,000	3,000	10,000
Less return of advances to general fund		−8,000	−3,000
Loans for capital outlay	12,200	44,250	24,950
Other loans and grants	23,981	29,825	22,380

Footnotes at end of table.

TABLE 5.—*Trust receipts and expenditures, fiscal years 1961, 1962, and 1963*—Con.

[In thousands of dollars]

Receipts and expenditures	Fiscal year 1961 [1]	Fiscal year 1962 [1]	Fiscal year 1963
Interfund transactions (−):			
Payments to employees' retirement fund receipts	−12,409	−12,254	−13,320
Payments between funds:			
FOASI trust fund to railroad retirement account	−331,734	−360,788	−422,523
Unemployment trust fund from railroad retirement account	−32,225	−101,470	−37,699
Other	−138,370	−53,285	−31,305
Total interfund transactions (−) [7]	−514,738	−527,797	−504,847
Net trust receipts	23,582,656	24,289,776	27,688,538
EXPENDITURES			
Legislative Branch	1,333	1,351	1,723
The judiciary-judicial survivors annuity fund	347	392	416
Funds appropriated to the President:			
Foreign assistance-military	191,490	360,909	673,736
Foreign assistance-economic	586	1,961	1,015
Other		15	70
Agriculture Department:			
Trust enterprise funds (net)	27	918	−518
Other	40,759	41,377	45,776
Commerce Department:			
Highway trust fund—Federal-aid highways	2,619,714	2,783,864	3,016,701
Other	40,098	38,425	26,141
Defense Department:			
Military functions	4,725	4,947	5,116
Civil functions:			
Trust enterprise funds (net)	8	−4	10
Other	17,856	24,230	29,162
Health, Education, and Welfare Department:			
Federal old-age and survivors insurance trust fund:			
Administrative expenses—Bureau of Old-Age and Survivors Insurance	223,648	263,499	275,423
Reimbursement of administrative expenses from Federal disability insurance trust fund	−33,176	−60,273	−62,935
Payments to general fund—administrative expenses	43,760	45,252	48,458
Payments to Railroad Retirement Board	331,734	360,788	422,523
Benefit payments	11,184,531	12,657,835	13,844,584
Construction	1,780	3,082	1,657
Total Federal old-age and survivors insurance trust fund	11,752,276	13,270,183	14,529,710
Federal disability insurance trust fund:			
Administrative expenses—reimbursement to Federal old-age and survivors insurance trust fund	34,053	62,477	65,349
Payments to general fund-administrative expenses	3,122	3,654	3,577
Benefit payments	703,996	1,011,376	1,170,678
Payment to Railroad Retirement Board	5,148	11,030	19,609
Total Federal disability insurance trust fund	746,319	1,088,537	1,259,214
Other	309	266	549
Interior Department:			
Indian tribal funds	137,431	63,973	66,871
Other	12,132	13,447	12,067
Justice Department (net):			
Alien property activities	2,826	5,440	31,689
Federal Prison System commissary funds	8	−28	18
Labor Department:			
Unemployment trust fund:			
Employment security administration account:			
Salaries and expenses, Bureau of Employment Security	77,39	10,029	11,552
Grants to States for unemployment compensation and employment service administration	374,975	467,592	336,420
Payments to general fund:			
Reimbursements for administrative expenses	5,101	5,067	5,604
Interest on refunds of taxes	50	57	73
Payment of interest on advances from general (revolving) fund	2,910	3,471	3,337

Footnotes at end of table.

TABLE 5.—*Trust receipts and expenditures, fiscal years 1961, 1962, and 1963*—Con.

[In thousands of dollars]

Expenditures	Fiscal year 1961 [1]	Fiscal year 1962 [1]	Fiscal year 1963
Labor Department—Continued			
Unemployment trust fund—Continued			
Railroad unemployment insurance account:			
Benefit payments	251,711	201,622	166,744
Temporary extended unemployment benefits	10,017	9,288	94
Repayment of advances to railroad retirement account	31,205	24,825	----------
Payment of interest on advances from railroad retirement account	1,020	12,390	8,946
Repayment of advances from general fund	----------	2,455	9,853
Railroad unemployment insurance administration fund:			
Administrative expenses	9,739	9,078	8,840
State accounts:			
Withdrawals by States	3,558,074	2,856,583	2,812,637
Reimbursements from Federal extended compensation account	−6,104	−37,786	−2,392
Federal extended compensation account:			
Temporary extended unemployment compensation payments	481,152	303,932	−14,967
Reimbursements to State accounts	6,104	37,786	2,392
Repayment of advances from general fund	----------	----------	466,327
Total unemployment trust fund	4,733,693	3,906,391	3,815,459
Other	167	57	166
State Department:			
Foreign service retirement and disability fund	4,253	5,525	7,085
Other	440	386	193
Treasury Department	16,724	17,895	22,677
Atomic Energy Commission	----------	----------	125
Federal Aviation Agency	108	135	19
General Services Administration:			
Trust enterprise funds (net)	−49	−25	4
Other	773	3,451	2,169
Housing and Home Finance Agency:			
Federal National Mortgage Association:			
Loans for secondary market operations (net)	[8] −16,000	----------	----------
Other secondary market operations (net)	−72,897	316,736	−730,222
National Aeronautics and Space Administration	(*)	----------	----------
Veterans' Administration:			
Government life insurance fund-benefits, refunds, and dividends	93,757	96,243	79,131
National service life insurance fund-benefits, refunds, and dividends	707,467	626,351	747,095
Other	1,818	1,709	1,660
Other independent agencies:			
Civil Service Commission:			
Civil service retirement and disability fund	951,039	1,057,644	1,175,887
Employees health benefits fund (net)	−23,263	−10,815	−12,326
Employees' life insurance fund (net)	−50,924	−70,303	−32,239
Retired employees health benefits fund (net)	−1,623	−91	−143
Total Civil Service Commission	875,229	976,436	1,131,179
National Capital Housing Authority (net)	322	111	−2,437
Railroad Retirement Board:			
Railroad retirement account:			
Administrative expenses	9,948	9,222	9,833
Benefit payments, etc	981,839	1,023,948	1,064,001
Advances to railroad unemployment insurance account	132,345	101,470	37,699
Interest on refunds of taxes	----------	5	1
Total Railroad Retirement Board	1,124,132	1,134,644	1,111,533
Other:			
Trust enterprise funds (net)	8	−11	10
Other	375	180	289
District of Columbia	303,416	334,914	333,546

Footnotes at end of table.

TABLE 5.—*Trust receipts and expenditures, fiscal years 1961, 1962, and 1963*—Con.

[In thousands of dollars]

Expenditures	Fiscal year 1961 [1]	Fiscal year 1962 [1]	Fiscal year 1963
Deposit fund accounts:			
Food stamps issued (receipts):			
Payments from general fund	−381	−13,153	−18,640
Receipts from sales	−427	−21,835	−31,051
Food stamps redeemed (expenditures)	643	34,415	48,602
Other deposit funds (net)	202,793	−543,725	146,756
Subtotal trust and deposit fund expenditures	23,544,608	24,577,033	26,364,812
Government-sponsored enterprises (net):			
Farm Credit Administration:			
Banks for cooperatives	48,898	50,500	29,289
Federal intermediate credit banks	122,209	129,191	276,889
Federal land banks	224,947	194,506	176,418
Federal Home Loan Bank Board:			
Home loan banks	−487,305	872,105	363,215
Federal Deposit Insurance Corporation	−147,521	−154,300	−160,546
Total Government-sponsored enterprises	−238,773	1,092,003	685,265
Interfund transactions (−)[7]	−514,738	−527,797	−504,847
Net trust expenditures	22,791,097	25,141,239	26,545,231
Excess of trust receipts (+), or expenditures (−)	+791,559	−851,462	+1,143,307

*Less than $500.

[1] Certain figures for the fiscal years 1961 and 1962 have been adjusted to correspond to classifications for fiscal 1963. See also footnote 3.

[2] Details of this trust fund may be found in table 74.

[3] Refunds of taxes now shown as deductions from receipts were included in expenditures before 1961.

[4] Details of this trust fund may be found in table 72.

[5] Details of this trust fund may be found in table 71.

[6] Details of this trust fund may be found in table 81.

[7] Mainly financial interchanges between trust funds resulting in receipts and expenditures. For details of these interfund transactions for the fiscal years 1960–63, see table 9.

[8] The Association exchanged preferred stock of $16,000,000 for notes in the same amount held by the Secretary of the Treasury (12 U.S.C. 1719).

TABLE 6.—*Investments in public debt and agency securities (net), fiscal years 1961, 1962, and 1963*

[In thousands of dollars. On basis of "Monthly Statement of Receipts and Expenditures of the United States Government," see "Bases of Tables"]

Investing agency [1]	Fiscal year 1961	Fiscal year 1962	Fiscal year 1963
Public enterprise funds:			
Commerce Department:			
Federal ship mortgage insurance fund			3,543
War risk insurance revolving fund			3,153
Federal National Mortgage Association:			
Guaranteed securities (FHA debentures)	7,528	42,092	−27,336
Federal Housing Administration:			
Public debt securities	97,489	−32,198	−4,965
Guaranteed securities (FHA debentures)			41,322
Federal Savings and Loan Insurance Corporation	34,000	229,000	268,594
Tennessee Valley Authority	−12,089	−29,200	−10,000
Other	21,667	−18,320	12,628
Total public enterprise funds	148,595	191,374	286,938
Trust accounts, etc.:			
Judicial survivors annuity fund	210	216	241
Highway trust fund	232,699	201,901	241,808
Foreign service retirement and disability fund	3,002	4,530	1,181
Federal disability insurance trust fund [2]	284,713	20,562	−128,894
Federal old-age and survivors insurance trust fund [2]	−225,331	−1,088,852	−821,476
Unemployment trust fund [2]	−951,991	72,132	456,478
Federal National Mortgage Association:			
Secondary market operations:			
Public debt securities			91,500
Guaranteed securities (FHA debentures)	253	37,927	−15,423
Nonguaranteed securities			59,570
Veterans' life insurance funds:			
Government life insurance fund	−35,107	−43,624	−24,807
National service life insurance fund	−43,718	44,158	−89,614
Civil Service Commission:			
Civil service retirement and disability fund	1,059,787	1,029,746	1,073,961
Employees health benefits fund	12,324	11,175	14,426
Employees' life insurance fund	47,021	50,945	55,836
Retired employees health benefits fund		1,631	−1,531
Railroad retirement account	−78,258	−62,549	501
Government-sponsored enterprises (net):			
Farm Credit Administration:			
Banks for cooperatives	3,028	−2,990	51
Federal intermediate credit banks	1,486	2,804	781
Federal land banks	−4,835	−2,200	−1,933
Federal Home Loan Bank Board:			
Home loan banks	286,990	−121,995	611,935
Federal Deposit Insurance Corporation	147,521	154,300	160,546
Other [3]	−31,590	−8,682	96,703
Total trust accounts, etc	708,203	301,134	1,781,840
Net investments, or sales (−)	856,798	492,508	2,068,778

[1] Certain figures for the fiscal years 1961 and 1962 as published in previous annual reports have been adjusted to correspond to classifications for the fiscal year 1963.
[2] Takes into account accrued interest, discount, or premium on securities purchased, and net amortization or repayments.
[3] Includes Exchange Stabilization Fund.

TABLE 7.—*Sales and redemptions of Government agency securities in market (net), fiscal years 1961, 1962, and 1963*

[In thousands of dollars. On basis of "Monthly Statement of Receipts and Expenditures of the United States Government," see "Bases of Tables"]

Issuing agency [1]	Fiscal year 1961	Fiscal year 1962	Fiscal year 1963
Public enterprise funds:			
Guaranteed by the United States:			
Federal Farm Mortgage Corporation in liquidation	19	4	9
Federal Housing Administration:			
Issues (net) to Government agencies	−7,780	−80,023	1,437
Issues (net) to the public	−73,298	−124,004	−163,850
Home Owners' Loan Corporation	9	20	12
Not guaranteed by the United States:			
Federal National Mortgage Association (management and liquidating functions)	797,333	21	5
Home Owners' Loan Corporation	----------	1	1
Tennessee Valley Authority	−50,000	−95,000	----------
Trust enterprise funds:			
Guaranteed by the United States:			
District of Columbia stadium fund	−19,324	----------	----------
Not guaranteed by the United States:			
Federal National Mortgage Association (secondary market operations)	85,622	−358,710	597,018
Government-sponsored enterprises (net):			
Not guaranteed by the United States:			
Farm Credit Administration:			
Banks for cooperatives	−51,925	−47,510	−29,340
Federal intermediate credit banks	−123,695	−131,995	−277,670
Federal land banks	−220,112	−192,306	−174,486
Federal Home Loan Bank Board:			
Home loan banks	200,315	−750,110	−975,150
Net redemptions, or sales (−)	537,164	−1,779,613	−1,022,013

[1] Certain figures for fiscal years 1961 and 1962 as published in previous annual reports have been adjusted to correspond to classifications for fiscal year 1963.

TABLE 8.—*Interfund transactions excluded from both net budget receipts and budget expenditures, fiscal years 1960–63*

[In thousands of dollars]

Interest and other payments	Fiscal year			
	1960	1961	1962	1963
Interest paid Treasury by revolving funds: [1]				
Funds appropriated to the President, expansion of defense production [2]	34,778	6,141	7,860	6,328
Department of Agriculture:				
Commodity Credit Corporation	464,786	409,575	329,584	186,384
Farmers Home Administration:				
Agricultural credit insurance fund	1,308	1,196	923	998
Direct loan account	------------	------------	9,000	10,706
Department of Commerce, Federal ship mortgage insurance fund	74	54	9	------------
Department of Defense-Civil functions, Panama Canal Company fund	9,423	8,781	9,364	10,006
Department of Health, Education, and Welfare, Bureau of Federal Credit Unions	(*)	------------	------------	------------
Department of the Interior:				
Colorado River Dam fund, Boulder Canyon project	3,072	3,114	3,081	3,030
Virgin Islands Corporation	(*)	398	346	364
Treasury Department, Civil defense program fund	24	25	19	13
Housing and Home Finance Agency:				
Office of the Administrator:				
College housing loans	14,405	20,017	25,314	32,502
Urban renewal fund	2,514	2,914	3,227	4,944
Public facility loans	967	1,594	2,006	2,709
Federal National Mortgage Association	70,750	91,915	114,096	118,279
Public Housing Administration	1,332	1,102	1,128	1,441
Veterans' Administration, direct loans to veterans and reserves	23,028	31,990	40,050	47,474
Export-Import Bank [3]	45,722	42,877	56,757	51,134
St. Lawrence Seaway Development Corporation	2,505	2,000	2,165	2,200
Small Business Administration	6,657	15,238	14,249	20,149
Tennessee Valley Authority	------------	------------	------------	148
U.S. Information Agency, informational media guaranty fund	414	1,065	610	571
Total interest payments	681,759	639,997	619,789	499,383
Other payments:				
Department of Defense, civil functions:				
Reimbursements:				
Panama Canal Company:				
Net cost of Canal Zone Government [4]	10,968	12,781	11,829	13,193
Part of treaty payment to Panama for use of Canal Zone	450	430	410	430
Fees and other charges for accounting and auditing services (various agencies)	796	745	628	390
Total other payments	12,214	13,956	12,868	14,014
Total interfund transactions	693,973	653,953	632,656	513,397

*Less than $500.
[1] On loans and other interest-bearing U.S. investments.
[2] By various agencies for programs under the Defense Production Act.
[3] Excludes transactions under Defense Production Act.
[4] Less tolls paid for U.S. Government vessels.

NOTE.—For figures from 1932–59, see annual report for 1961, pp. 450–456.

TABLE 9.—*Interfund transactions excluded from both net trust account receipts and net trust account expenditures, fiscal years 1960–63*

[In thousands of dollars]

Trust fund	1960	1961	1962	1963
Federal old-age and survivors insurance trust fund [1]	600,437	331,734	360,788	422,523
Federal disability insurance trust fund [1 2]	724	6,025	13,235	22,023
Railroad retirement account [1 3]	210,561	132,345	101,470	37,699
Unemployment trust fund [4]	86,131	32,225	37,215	8,946
Federal employees' retirement funds [5]			2,836	336
District of Columbia [6]	10,249	12,409	12,254	13,320
Total	908,102	514,738	527,797	504,847

[1] Payments are made between the railroad retirement account and the Federal old-age and survivors and Federal disability insurance trust funds so as to place those funds in the position in which they would have been if railroad employment after 1936 had been included under social security coverage.

[2] Includes interest on amounts reimbursed to the Federal old-age and survivors insurance trust fund for administrative expenses.

[3] Includes temporary advances to the railroad unemployment insurance account in the unemployment trust fund when the balance in the account is insufficient to meet payments of benefits and refunds due or to become due.

[4] Repayment of advances with interest to the railroad retirement account. See footnote 3.

[5] Transfers from the civil service retirement and disability fund to the foreign service retirement and disability fund.

[6] Contributions and transfers of deductions from employees' salaries to the civil service retirement and disability fund.

TABLE 10.—*Public enterprise (revolving) funds, receipts and expenditures for fiscal year 1963 and net for 1962 and 1963*

[In thousands of dollars. On basis of "Monthly Statement of Receipts and Expenditures of the United States Government," see "Bases of Tables"]

Classification	Fiscal year 1963			Fiscal year 1962
	Receipts	Expenditures	Net receipts (−), or expenditures	Net receipts (−), or expenditures
Executive Office of the President:				
Office of Emergency Planning, civil defense procurement fund				7
Funds appropriated to the President:				
Expansion of defense production	88,112	31,043	−57,069	11,212
Foreign assistance—economic:				
Alliance for Progress, development loans	367	190,962	190,595	
Development loan funds	20,871	706,492	685,622	421,096
Foreign investment guarantee fund	2,940	9	−2,931	−1,650
Total funds appropriated to the President	112,290	928,507	816,217	430,658
Agriculture Department:				
Commodity Credit Corporation:				
Price support and related programs and special milk [1]	1,813,791	4,929,526	3,115,735	2,143,133
Special activities financed by Commodity Credit Corporation [2]	748,294	679,622	−68,672	492,652
Federal Corp Insurance Corporation	17,689	25,402	7,713	1,114
Farmers Home Administration:				
Direct loan account, revolving fund	288,538	343,550	55,012	−6,445
Other	235,551	256,483	20,933	28,224
Total Agriculture Department	3,103,862	6,234,583	3,130,721	2,658,677
Commerce Department:				
Area Redevelopment Administration	561	65	−495	−1
Maritime Administration	10,653	19,784	9,131	−2,700
Other	838	(*)	−838	−860
Total Commerce Department	12,051	19,849	7,798	−3,561
Defense Department:				
Military functions:				
Defense production guarantees	11,596	15,265	3,669	−860
Other	676	611	−65	28,283
Civil functions, Panama Canal Company	111,121	119,485	8,364	1,724
Total Defense Department	123,393	135,361	11,968	29,147
Health, Education, and Welfare Department	4,518	4,389	−129	−160
Interior Department:				
Bureau of Indian Affairs	1,101	5,964	4,863	1,784
Bureau of Mines	22,994	13,486	−9,508	955
Bureau of Reclamation	6,467	112,000	105,533	89,986
Other	25,288	23,520	−1,768	1,095
Total Interior Department	55,851	154,971	99,120	93,820
Labor Department:				
Advances to employment security administration account, unemployment trust fund		−85,248	−85,248	31,440
Farm labor supply revolving fund	3,543	2,317	−1,226	−366
Total Labor Department	3,543	−82,931	−86,474	31,074
Post Office Department, postal fund	3,869,714	4,640,049	770,335	734,176

Footnotes at end of table.

TABLE 10.—*Public enterprise (revolving) funds, receipts and expenditures for fiscal year 1963 and net for 1962 and 1963*—Continued

[In thousands of dollars]

Classification	Fiscal year 1963 Receipts	Fiscal year 1963 Expenditures	Fiscal year 1963 Net receipts (−), or expenditures	Fiscal year 1962 Net receipts (−), or expenditures
Treasury Department:				
Office of the Secretary	3,867	72	−3,795	−1,792
Bureau of Accounts, Government losses in shipment fund	(*)	537	536	67
Office of the Treasurer, check forgery insurance fund	309	307	−2	(*)
Total Treasury Department	4,177	917	−3,260	−1,725
General Services Administration	198	30	−168	−281
Housing and Home Finance Agency:				
Office of the Administrator:				
College housing loans	64,916	348,489	283,574	227,341
Liquidating programs	2,293	279	−2,014	−5,651
Urban renewal fund	133,267	306,475	173,208	226,949
Other	17,350	70,958	53,608	30,484
Federal National Mortgage Association:				
Loans for secondary market operations	585,920	585,920		
Management and liquidating functions fund	278,818	116,552	−162,265	−176,914
Special assistance functions fund	504,139	227,095	−277,044	53,559
Federal Housing Administration	504,703	639,653	134,951	199,218
Public Housing Administration	390,871	569,738	178,867	164,830
Total Housing and Home Finance Agency	2,482,275	2,865,160	382,885	719,817
Veterans' Administration:				
Direct loans to veterans and reserves	361,398	275,211	−86,187	92,774
Loan guaranty revolving fund	349,813	326,891	−22,922	143,522
Other	81,529	60,853	−20,676	14,501
Total Veterans' Administration	792,740	662,955	−129,785	250,796
Other independent agencies:				
Export-Import Bank of Washington	998,549	606,999	−391,550	101,087
Farm Credit Administration	12,270	13,600	1,330	−8,628
Federal Home Loan Bank Board	291,003	27,342	−263,661	−236,788
St. Lawrence Seaway Development Corporation	3,915	5,351	1,437	536
Small Business Administration	220,043	357,451	137,408	222,776
Tennessee Valley Authority	302,357	355,806	53,449	102,969
U.S. Information Agency	2,231	4,081	1,850	1,383
Total other independent agencies	1,830,368	1,370,630	−459,738	183,334
Total public enterprise funds	12,394,981	16,934,469	4,539,488	5,125,780

*Less than $500.

[1] Residual of gross receipts and expenditures after reduction for certain costs which are included in amounts shown for special activities.

[2] Includes certain costs transferred from price support operations for which expenditures may have been made in prior years.

NOTE.—This table supplies receipt and expenditure data for public enterprise funds included in table 4 on a net basis.

TABLE 11.—*Trust enterprise (revolving) funds, receipts and expenditures for fiscal year 1963 and net for 1962 and 1963*

[In thousands of dollars. On basis of "Monthly Statement of Receipts and Expenditures of the United States Government," see "Bases of Tables"]

Classification	Fiscal year 1963			Fiscal year 1962
	Receipts	Expenditures	Net receipts (−), or expenditures	Net receipts (−), or expenditures
Department of Agriculture:				
Farmers Home Administration	9,245	8,727	−518	918
Department of Defense, civil:				
U.S. Soldiers' Home	109	118	10	−4
Department of Justice:				
Alien property activities	2,146	33,835	31,689	5,440
Federal Prison System, commissary funds	2,464	2,482	18	−28
General Services Administration:				
Records activities: National Archives trust fund	458	462	4	−25
Housing and Home Finance Agency:				
Federal National Mortgage Association:				
Loans for secondary market operations	585,920	585,920	------------	------------
Other	1,119,485	389,263	−730,222	316,736
Other independent agencies:				
Civil Service Commission:				
Employees health benefits fund	371,848	359,521	−12,326	−10,815
Employees' life insurance fund	160,605	128,366	−32,239	−70,303
Retired employees health benefits fund	25,529	25,386	−143	−91
National Capital Housing Authority	8,561	6,124	−2,437	111
Federal Communications Commission	242	252	10	−11
Total trust enterprise funds	2,286,610	1,540,455	−746,155	241,929

NOTE.—This table supplies receipt and expenditure data for trust enterprise funds included in table 5 on a net basis.

TABLE 12.—*Administrative budget receipts and expenditures monthly and total for fiscal year 1963*

[In millions of dollars. On basis of "Monthly Statement of Receipts and Expenditures of the United States Government," see "Bases of Tables"]

Receipts and expenditures	July	August	September	October	November	December	January	February	March	April	May	June	Total 1963
RECEIPTS													
Internal Revenue:													
Individual income taxes withheld	1,199	5,298	2,980	1,156	5,195	3,131	1,269	5,422	3,182	973	5,642	3,272	38,719
Individual income taxes—other	299	169	2,092	235	117	407	2,367	783	745	4,371	651	2,033	14,269
Corporation income taxes	525	431	3,533	460	412	3,450	517	422	6,081	551	443	5,511	22,336
Excise taxes	1,106	1,188	1,103	1,150	1,125	1,136	1,099	1,038	1,081	1,022	1,192	1,171	13,410
Employment taxes	450	1,786	962	551	1,208	652	429	2,596	1,428	940	2,664	1,340	15,004
Estate and gift taxes	175	166	124	178	139	132	191	145	216	303	229	189	2,187
Customs	103	107	102	120	114	94	80	103	107	110	106	95	1,241
Miscellaneous receipts	685	300	517	218	225	553	334	488	253	273	205	386	4,436
Gross receipts	4,540	9,445	11,414	4,068	8,533	9,553	6,285	10,997	13,093	8,544	11,132	13,996	111,602
Deduct:													
Refunds of receipts: [1]													
Applicable to budget accounts [2]	165	188	111	199	−7	64	−31	799	1,720	1,602	1,200	291	6,302
Applicable to trust accounts [3]	----------	5	(*)	(*)	80	(*)	140	39	(*)	(*)	4	(*)	269
Transfers to trust accounts	730	2,118	1,249	827	1,425	928	550	2,829	1,707	1,198	2,972	1,606	18,141
Interfund transactions [4]	78	45	1	12	7	200	93	25	3	8	3	38	513
Total deductions	973	2,356	1,361	1,038	1,506	1,193	752	3,693	3,430	2,809	4,179	1,936	25,225
Net receipts	3,566	7,089	10,053	3,030	7,027	8,360	5,533	7,305	9,663	5,735	6,953	12,061	86,376
EXPENDITURES													
Legislative branch	8	15	13	17	15	13	9	14	9	9	14	11	147
The judiciary	5	4	5	6	4	5	6	4	6	7	5	5	62
Executive Office of the President	2	2	2	1	3	2	3	2	2	2	2	2	23
Funds appropriated to the President:													
Foreign assistance—military	67	79	85	139	78	94	127	134	167	204	168	377	1,721
Foreign assistance—economic	128	181	150	201	159	155	186	143	167	198	204	172	2,043
Other	12	7	4	65	69	14	10	−41	13	12	19	20	204
Agriculture Department:													
Foreign assistance programs	−2	108	142	82	180	141	564	126	167	196	263	124	2,091
Commodity Credit Corporation	441	893	314	555	242	429	−210	−25	176	57	44	131	3,047
Other	249	173	222	386	201	219	245	223	181	200	160	139	2,597
Commerce Department	57	58	37	86	72	35	52	65	55	50	57	51	676

Defense Department:													
Military functions:													
Department of the Army	872	1,078	1,012	1,087	1,095	960	1,033	937	896	912	912	860	11,654
Department of the Navy	1,090	1,159	987	1,189	1,246	1,164	1,240	1,111	1,188	1,207	1,284	1,228	14,093
Department of the Air Force	1,542	1,742	1,579	1,791	1,753	1,740	1,755	1,570	1,817	1,776	1,740	2,018	20,823
Defense agencies	98	142	153	135	131	141	127	107	153	145	134	12	1,480
Undistributed stock fund transactions	-------	-------	-------	-------	-------	-------	-------	64	47	32	−9	−133	-------
Civil defense	22	8	7	19	28	26	21	14	21	14	14	8	203
Total military functions	3,625	4,129	3,738	4,221	4,253	4,031	4,177	3,803	4,122	4,085	4,076	3,993	48,252
Civil functions	88	113	104	122	112	89	86	62	72	80	91	109	1,128
Health, Education, and Welfare Department	450	404	389	412	390	363	469	436	384	441	405	367	4,909
Interior Department	72	114	119	93	89	74	93	85	64	68	80	79	1,029
Justice Department	26	31	23	24	26	25	26	25	32	26	26	26	317
Labor Department	23	18	65	62	61	55	68	−229	34	22	32	46	257
Post Office Department	6	95	82	46	35	58	47	37	41	52	67	104	770
State Department	49	53	22	74	37	37	36	36	(*)	24	25	15	408
Treasury Department:													
Interest on the public debt	828	794	807	814	808	840	858	809	825	823	823	865	9,895
Interest on refunds, etc	6	12	6	13	5	3	4	10	7	5	7	6	85
Other	75	104	81	62	79	84	105	83	86	91	111	86	1,048
Atomic Energy Commission	243	234	209	243	228	212	240	214	226	227	240	241	2,758
Federal Aviation Agency	57	73	56	62	54	59	76	52	62	56	61	58	726
General Services Administration	28	48	35	45	42	39	32	38	38	44	26	49	466
Housing and Home Finance Agency:													
Federal National Mortgage Association	71	−69	−26	−44	15	31	10	−124	6	−174	−71	−65	−439
Other	137	126	30	29	85	123	34	25	135	43	32	52	850
National Aeronautics and Space Administration	135	187	140	187	187	187	233	194	250	271	280	300	2,552
Veterans' Administration	441	491	400	439	442	444	485	444	404	365	434	384	5,173
Other independent agencies:													
Export-Import Bank of Washington	−81	13	9	1	35	−163	−26	−8	7	49	−201	−27	−392
Small Business Administration	3	33	14	18	10	15	2	6	8	5	5	23	142
Tennessee Valley Authority	11	2	5	10	8	4	2	(*)	(*)	4	2	5	53
Other	39	55	47	59	49	52	55	46	60	53	−17	−7	489
District of Columbia	30	5	2	6	4	2	1	-------	2	1	1	11	66
Interfund transactions (−)[4]	−78	−45	−1	−12	−7	−200	−93	−25	−3	−8	−3	−38	−513
Net expenditures	7,252	8,541	7,327	8,524	8,070	7,572	8,013	6,763	7,806	7,590	7,470	7,715	92,642
Surplus (+), or deficit (−)	−3,686	−1,452	+2,727	−5,494	−1,042	+788	−2,480	+542	+1,857	−1,854	−516	+4,346	−6,266

*Less than $500,000.
[1] Interest on refunds is included in Expenditures: Treasury Department.
[2] Mainly internal revenue income, excise, and estate and gift taxes; and customs collections.
[3] Employment taxes and highway excise taxes.
[4] Mainly interest payments by Government corporations and agencies that borrow from the Treasury. For details of these transactions for fiscal years, 1960–63, see table 8. These interfund transactions do not include payments to the Treasury by wholly owned Government corporations for retirement of their capital stock and for disposition of earnings.

TABLE 13.—*Trust receipts and expenditures monthly and total for fiscal year 1963*

[In millions of dollars. On basis of "Monthly Statement of Receipts and Expenditures of the United States Government," see "Bases of Tables"]

Receipts and expenditures	July	August	September	October	November	December	January	February	March	April	May	June	Total 1963
RECEIPTS													
Highway trust fund	281	332	288	277	220	282	261	234	279	258	308	275	3,293
Federal old-age and survivors insurance trust fund	409	1,848	840	520	1,256	743	167	1,826	1,232	868	2,771	1,376	13,856
Federal disability insurance trust fund	36	156	76	44	108	81	18	141	85	76	201	123	1,145
Unemployment trust fund	188	752	88	162	489	153	209	820	125	213	945	116	4,261
Veterans' life insurance funds	47	44	38	45	40	36	54	39	43	42	40	242	710
Civil service retirement and disability fund	148	158	137	170	162	144	166	149	161	170	208	474	2,247
Railroad retirement account	13	89	51	16	82	52	13	84	53	16	96	562	1,128
District of Columbia	39	22	25	55	26	17	18	18	33	40	23	25	341
All other	31	54	78	86	159	174	88	64	114	69	68	228	1,213
Interfund transactions (−) [1]	−1	−12	−1	−1	−14	−1	−4	−13	−1	−1	−3	−452	−505
Net trust receipts	1,191	3,444	1,620	1,374	2,528	1,681	990	3,361	2,123	1,752	4,656	2,969	27,689
EXPENDITURES													
Highway trust fund	239	317	279	349	308	267	220	153	196	173	216	300	3,017
Federal old-age and survivors insurance trust fund	1,146	1,157	1,157	1,173	1,167	1,163	1,114	1,182	1,199	1,209	1,217	1,646	14,530
Federal disability insurance trust fund	93	94	93	98	96	98	165	98	102	100	100	122	1,259
Unemployment trust fund	205	204	218	213	240	280	418	748	422	359	233	276	3,815
Veterans' life insurance funds	62	59	48	56	50	45	297	45	47	43	40	35	826
Civil service retirement and disability fund	92	94	95	78	88	81	97	93	98	95	92	127	1,131
Railroad retirement account	88	99	88	89	101	90	90	101	91	91	92	91	1,112
District of Columbia	26	27	21	35	29	30	24	23	28	29	34	27	334
Government-sponsored enterprises (net)	331	213	45	−48	−135	288	−669	−264	−187	269	292	551	685
Deposit funds (net)	−47	−22	303	44	−56	−317	44	52	80	−84	50	99	146
All other (net)	−73	62	60	60	34	74	−1	11	−106	−41	−62	176	196
Interfund transactions (−) [1]	−1	−12	−1	−1	−14	−1	−4	−13	−1	−1	−3	−452	−505
Net trust expenditures	2,162	2,292	2,407	2,145	1,907	2,097	1,795	2,230	1,968	2,242	2,302	2,999	26,545
Excess of trust receipts (+), or expenditures (−)	−970	+1,152	−787	−771	+621	−416	−805	+1,132	+154	−491	+2,354	−30	+1,143
Net investments (+), or sales (−) in public debt and agency securities	−915	1,511	−626	−352	+450	−938	−998	+517	+121	−828	+2,821	+1,306	+2,069
Net redemptions (+), or sales (−) of Government agency securities in the market	−263	−300	−35	−405	+65	+65	+319	+211	+304	+69	−244	−807	−1,022

[1] Mainly financial interchanges between trust funds resulting in receipts and expenditures. For details of these interfund transactions for fiscal years 1960–63, see table 9.

NOTE.—Monthly figures in this table differ from those published monthly during the year because of reclassification of accounts in accordance with revisions in the Budget structure, principally in treatment of Government-sponsored enterprises and certain deposit fund transactions.

TABLE 14.—*Trust receipts by sources and expenditures by major functions, fiscal years 1955–63*

[In millions of dollars. On basis of 1965 Budget document]

Receipts and expenditures	1955	1956	1957	1958	1959	1960	1961	1962	1963
RECEIPTS									
Employment taxes:									
Transfers	5,638	6,971	7,250	8,308	8,530	10,817	12,502	12,708	15,004
Less refunds	−51	−66	−58	−75	−83	−89	−98	−147	−143
Unemployment tax deposits by States	1,146	1,330	1,542	1,501	1,701	2,167	2,398	2,729	3,009
Excise taxes:									
Transfers			1,479	2,116	2,171	2,642	2,923	3,080	3,405
Less refunds			(*)	−90	−97	−103	−126	−131	−126
Federal employee and agency payments for retirement	473	813	1,175	1,252	1,507	1,504	1,740	1,756	1,878
Interest:									
Trust fund investments	1,173	1,207	1,318	1,342	1,315	1,327	1,404	1,423	1,467
Uninvested trust funds	5	5	6	8	9	10	10	10	11
Veterans' life insurance premiums:									
Government life	35	30	28	27	24	22	20	18	17
National service life	405	410	425	459	453	460	484	483	477
Miscellaneous	660	918	1,146	1,317	1,375	2,494	2,840	2,889	3,195
Subtotal trust receipts	9,485	11,619	14,311	16,164	16,904	21,250	24,097	24,818	28,193
Interfund transactions (−)	−16	−12	−10	−11	−135	−908	−515	−528	−505
Net trust receipts	9,470	11,607	14,301	16,153	16,769	20,342	23,583	24,290	27,689
EXPENDITURES									
National defense	164	143	93	344	229	256	196	366	679
International affairs and finance	45	−29	13	1	21	48	13	15	44
Agriculture and agricultural resources	73	288	426	357	645	458	416	398	507
Natural resources	61	79	85	101	94	116	183	112	122
Commerce and transportation	−97	−101	866	1,401	2,493	2,831	2,505	2,662	2,877
Housing and community development	231	461	1,044	−295	1,263	1,439	−273	1,524	−36
Health, labor, and welfare	7,423	7,999	9,585	12,775	14,306	16,358	19,236	20,382	21,855
Education	1	1	1	1	1	1	1	1	2
Veterans' benefits and services	628	606	608	671	651	673	811	733	835
General government	6	8	8	10	10	17	16	20	19
Deposit funds	57	169	217	−29	−60	−78	203	−544	146
Subtotal	8,593	9,623	12,947	15,335	19,655	22,120	23,308	25,669	27,050
Interfund transactions (−)	−16	−12	−10	−11	−135	−908	−515	−528	−505
Net trust expenditures	8,577	9,611	12,938	15,325	19,521	21,212	22,793	25,141	26,545
Excess of trust receipts (+), or expenditures (−)	+892	+1,996	+1,363	+829	−2,751	−870	+790	−851	+1,143

*Less than $500,000.

NOTE.—Certain figures have been adjusted to correspond with the 1965 Budget document.

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TABLE 15.—*Administrative budget receipts by sources and expenditures by major functions, fiscal years 1955–63*

[In millions of dollars. Expenditures classified on basis of 1965 Budget document]

Receipts and expenditures	1955	1956	1957	1958	1959	1960	1961	1962	1963
RECEIPTS									
Individual income taxes	31,650	35,334	39,030	38,569	40,735	44,946	46,153	50,650	52,988
Corporation income taxes	18,265	21,299	21,531	20,533	18,092	22,179	21,765	21,296	22,336
Excise taxes	9,211	10,004	10,638	10,814	10,760	11,865	12,064	12,752	13,410
Employment taxes	6,220	7,296	7,581	8,644	8,854	11,159	12,502	12,708	15,004
Estate and gift taxes	936	1,171	1,378	1,411	1,353	1,626	1,916	2,035	2,187
Internal revenue taxes not otherwise classified	7	5	15	7	5	----	----	----	----
Total internal revenue	66,289	75,109	80,172	79,978	79,798	91,775	94,401	99,441	105,925
Customs	606	705	754	800	948	1,123	1,008	1,171	1,241
Miscellaneous receipts	2,559	3,006	2,749	3,196	3,158	4,064	4,082	3,206	4,436
Total receipts by major sources	69,454	78,820	83,675	83,974	83,904	96,962	99,491	103,818	111,602
Deductions:									
Refunds of receipts (excluding interest): [1]									
Internal revenue applicable to:									
Budget accounts	3,400	3,653	3,894	4,413	4,907	5,024	5,725	5,957	6,267
Trust accounts	51	66	58	165	180	193	224	278	269
Customs	22	23	20	18	23	18	25	29	35
Other	4	8	3	2	3	2	2	1	1
Total refunds of receipts	3,477	3,750	3,976	4,598	5,114	5,238	5,976	6,266	6,571
Transfers to trust accounts: [1]									
Federal old-age and survivors insurance trust fund	4,989	6,271	6,243	6,795	7,084	9,192	10,537	10,600	12,351
Federal disability insurance trust fund	----	----	333	863	837	929	953	945	994
Highway trust fund	----	----	1,479	2,026	2,074	2,539	2,798	2,949	3,279
Railroad retirement account	599	634	616	575	525	607	571	564	572
Unemployment trust fund	----	----	----	----	----	----	343	453	945
Total transfers to trust accounts	5,587	6,905	8,671	10,259	10,520	13,267	15,202	15,510	18,141
Total deductions	9,064	10,655	12,647	14,857	15,634	18,505	21,178	21,776	24,712
Subtotal receipts	60,390	68,165	71,029	69,117	68,270	78,457	78,313	82,042	86,890
Deductions:									
Interfund transactions (included in both receipts and expenditures) [2]	181	315	467	567	355	694	654	633	513
Net administrative budget receipts	60,209	67,850	70,562	68,550	67,915	77,763	77,659	81,409	86,376
EXPENDITURES [3]									
National defense:									
Department of Defense—military: [4]									
Military personnel	11,403	11,582	11,409	11,611	11,801	11,738	12,085	13,032	13,000
Operation and maintenance	7,931	8,400	9,487	9,761	10,378	10,223	10,611	11,594	11,874
Procurement	12,838	12,227	13,488	14,083	14,409	13,334	13,095	14,532	16,632
Research, development, test, and evaluation	2,261	2,101	2,406	2,504	2,866	4,710	6,131	6,319	6,376
Military construction	1,715	2,079	1,968	1,753	1,948	1,626	1,605	1,347	1,144
Family housing	----	----	----	----	----	----	----	----	427

Civil defense								90	203
Military assistance	2,292	2,611	2,352	2,187	2,340	1,609	1,449	1,390	1,721
Revolving and management funds	−617	−598	−323	−643	−179	−416	−300	−99	−1,401
Total Department of Defense—military	37,823	38,403	40,788	41,258	43,563	42,824	44,676	48,205	49,973
Atomic energy	1,857	1,651	1,990	2,268	2,541	2,623	2,713	2,806	2,758
Defense-related activities	1,015	669	590	709	379	244	104	92	24
Total national defense	40,695	40,723	43,368	44,234	46,483	45,691	47,494	51,103	52,755
International affairs and finance:									
Conduct of foreign affairs	121	129	157	173	237	217	216	249	346
Economic and financial programs	1,960	1,613	1,683	1,910	3,403	1,477	2,126	2,372	2,041
Foreign information and exchange activities	100	111	133	149	139	137	158	197	201
Total international affairs and finance	2,181	1,853	1,973	2,231	3,780	1,832	2,500	2,817	2,588
Space research and technology:									
Space research and technology	74	71	76	89	145	401	744	1,257	2,552
Agriculture and agricultural resources:									
Farm income stabilization and Food for Peace [5 6]	3,486	3,900	3,430	3,284	5,297	3,602	3,800	4,576	5,517
Financing farming and rural housing	236	232	248	269	311	289	349	234	300
Financing rural electrification and rural telephones	204	217	267	297	315	330	301	303	342
Agricultural land and water resources	290	305	374	315	376	368	397	426	404
Research and other agricultural services	173	215	227	255	291	293	324	341	391
Total agriculture and agricultural resources	4,388	4,868	4,546	4,419	6,590	4,882	5,172	5,881	6,954
Natural resources:									
Land and water resources	935	804	925	1,139	1,184	1,235	1,394	1,564	1,699
Forest resources	119	139	163	174	201	220	331	280	303
Mineral resources	37	38	62	59	71	65	61	68	71
Fish and wildlife resources	43	45	51	60	68	68	73	81	94
Recreational resources	35	44	59	69	85	74	91	94	112
General resource surveys and administration	34	36	38	44	61	51	55	60	73
Total natural resources	1,203	1,105	1,298	1,544	1,670	1,714	2,006	2,147	2,352
Commerce and transportation:									
Aviation	179	180	219	315	494	568	716	781	808
Water transportation	349	420	365	392	436	508	569	654	672
Highways [7]	647	783	40	31	30	38	36	33	41
Postal service	356	463	518	674	774	525	914	797	770
Advancement of business	−343	5	119	170	234	265	271	427	366
Area redevelopment [8]				(*)				7	101
Regulation of business	38	41	45	49	58	59	67	74	84
Total commerce and transportation	1,225	1,892	1,305	1,632	2,025	1,963	2,573	2,774	2,843

Footnotes at end of table.

TABLE 15.—*Administrative budget receipts by sources and expenditures by major functions, fiscal years 1955–63*—Continued

[In millions of dollars]

Expenditures	1955	1956	1957	1958	1959	1960	1961	1962	1963
EXPENDITURES [3]—Continued									
Housing and community development:									
Aids to private housing	174	−67	−254	−126	732	−172	−44	−149	−537
Public housing programs	−116	31	60	51	97	134	150	163	178
Urban renewal and community facilities	56	4	49	78	108	130	162	261	222
National Capital region	22	23	27	26	33	30	51	74	70
Total housing and community development	136	−10	−118	30	970	122	320	349	−67
Health, labor, and welfare:									
Health services and research	271	342	461	540	700	815	938	1,128	1,354
Labor and manpower	321	479	397	488	924	510	809	591	224
Public assistance	1,428	1,457	1,558	1,797	1,969	2,061	2,170	2,437	2,788
Other welfare services [6]	145	184	216	234	284	304	327	382	423
Total health, labor, and welfare	2,165	2,462	2,632	3,059	3,877	3,690	4,244	4,538	4,789
Education:									
Assistance for elementary and secondary education	215	181	174	189	259	327	332	337	392
Assistance for higher education	43	44	110	178	225	261	286	350	428
Assistance to science education and basic research	11	20	46	50	106	120	143	183	206
Other aid to education	109	98	108	124	141	156	181	207	219
Total education	377	343	437	541	732	866	943	1,076	1,244
Veterans' benefits and services:									
Veterans' service-connected compensation	1,829	1,864	1,876	2,024	2,071	2,049	2,034	2,017	2,116
Veterans' nonservice-connected pensions	801	884	950	1,037	1,152	1,265	1,532	1,635	1,698
Veterans' readjustment benefits	879	943	977	1,025	864	725	559	388	−13
Veterans' hospitals and medical care	727	788	801	856	921	961	1,030	1,084	1,145
Other veterans' benefits and services	286	331	266	242	280	266	259	279	240
Total veterans' benefits and services	4,522	4,810	4,870	5,184	5,287	5,266	5,414	5,403	5,186
Interest:									
Interest on the public debt	6,370	6,787	7,244	7,607	7,593	9,180	8,957	9,120	9,895
Interest on refunds of receipts	62	54	57	74	69	76	83	68	74
Interest on uninvested funds	5	6	6	8	9	10	10	10	11
Total interest	6,438	6,846	7,307	7,689	7,671	9,266	9,050	9,198	9,980

General government:									
Legislative functions	60	76	90	89	102	109	118	135	131
Judicial functions	31	38	40	44	47	49	52	57	63
Executive direction and management	12	12	12	19	21	20	22	22	21
Central fiscal operations	431	475	476	502	566	558	607	653	715
General property and records management	168	173	201	245	295	372	372	419	444
Central personnel management	96	304	602	84	95	84	140	153	142
Protective services and alien control	185	220	219	233	255	263	289	300	323
Other general government	183	278	100	69	86	88	109	136	139
Total general government	1,166	1,576	1,738	1,284	1,466	1,542	1,709	1,875	1,979
Total expenditures by major functions	64,570	66,540	69,433	71,936	80,697	77,233	82,169	88,419	93,155
Deductions:									
Interfund transactions (included in both receipts and expenditures)[2]	181	315	467	567	355	694	654	633	513
Net administrative budget expenditures	64,389	66,224	68,966	71,369	80,342	76,539	81,515	87,787	92,642
Administrative budget surplus (+), or deficit (−)	−4,180	+1,626	+1,596	−2,819	−12,427	+1,224	−3,856	−6,378	−6,266

*Less than $500,000.

[1] Amounts representing refunds of principal for overpaid taxes formerly reported net of reimbursements from trust fund accounts are shown herein on a gross basis. These reimbursements to the Internal Revenue Service for refunds are included and netted with amounts for transfers to the respective trust fund accounts.

[2] For details of these transactions for fiscal years 1960–63, see table 8.

[3] Expenditures are net of receipts of public enterprise funds.

[4] Military assistance has been combined with this category. Amounts shown include estimated comparability adjustments not supportable by accounting records.

[5] This category was previously titled "Farm income support and production adjustment."

[6] Beginning with 1961 the portion of the appropriation for removal of surplus agricultural commodities, Department of Agriculture, which finances the food stamp program has been reclassified from "Farm income stabilization and Food for Peace" to "Other welfare services."

[7] Since 1957 these expenditures for Federal-aid highways have been made through the highway trust fund.

[8] Amounts shown for 1963 include the public works acceleration program which supplements expenditures in various other categories.

TABLE 16.—*Trust and other transactions by major classifications, fiscal years 1953–63*

[In millions of dollars. On basis of the "Monthly Statement of Receipts and Expenditures of the United States Government," see "Bases of Tables"]

Classification	1953	1954	1955	1956	1957	1958	1959	1960	1961	1962	1963
TRUST ACCOUNTS, ETC.											
RECEIPTS											
Federal old-age and survivors insurance trust fund	4,516	5,080	5,586	7,003	7,159	7,900	8,182	10,439	11,910	12,141	13,984
Less refunds of taxes	−33	−40	−51	−66	−58	−75	−74	−79	−86	−130	−128
Federal disability insurance trust fund					339	943	938	1,071	1,093	1,104	1,157
Less refunds of taxes							−10	−10	−10	−12	−12
Railroad retirement account	742	737	700	739	723	695	758	1,403	1,051	1,081	1,128
Unemployment trust fund	1,594	1,492	1,425	1,728	1,912	1,855	1,997	2,703	4,055	4,276	4,519
Less:											
Refunds of taxes									−2	−5	−3
Return of advances to the general fund									−250	−285	−255
National service life insurance fund	637	619	590	649	608	640	634	643	668	664	658
Government life insurance fund	79	78	78	73	69	67	63	61	58	54	52
Federal employees' retirement funds [1]	961	691	708	1,025	1,397	1,458	1,741	1,766	2,033	2,086	2,255
Highway trust fund					1,482	2,134	2,185	3,003	2,985	3,087	3,419
Less:											
Refunds of taxes					(*)	−90	−97	−103	−126	−131	−126
Return of advances to the general fund								−359	−60		
Other trust funds and accounts [2]	401	457	449	467	681	638	585	711	778	890	1,546
Less certain trust receipts which are also expenditures [3]	−7	−18	−16	−12	−10	−11	−135	−908	−515	−528	−505
Net receipts [4]	8,889	9,097	9,470	11,607	14,301	16,153	16,769	20,342	23,583	24,290	27,689
EXPENDITURES											
Federal old-age and survivors insurance trust fund [5]	2,717	3,364	4,436	5,485	6,665	8,041	9,380	11,073	11,752	13,270	14,530
Federal disability insurance trust fund					1	181	361	561	746	1,089	1,259
Railroad retirement account	465	502	585	611	682	730	778	1,136	1,124	1,135	1,112
Unemployment trust fund	1,010	1,745	1,965	1,393	1,644	3,148	3,054	2,736	4,734	3,906	3,815
National service life insurance fund	588	623	538	512	515	544	562	582	707	626	747
Government life insurance fund	82	147	84	87	86	120	80	83	94	96	79
Federal employees' retirement funds [1]	363	411	430	507	591	699	792	896	955	1,063	1,183
Highway trust fund					966	1,512	2,613	2,945	2,620	2,784	3,017
Federal National Mortgage Association			−84	112	971	105	134	988	−89	317	−730
Other trust funds and accounts [6]	441	495	483	425	565	915	672	711	698	835	1,208
Deposit fund accounts (net)	−410	−126	56	168	216	−31	−61	−75	205	−544	146
Government-sponsored enterprises (net):											
Farm Credit Administration:											
Banks for cooperatives	−5	−9	(*)	23	44	21	86	46	49	50	29
Federal intermediate credit banks							236	142	122	129	277
Federal land banks	45	128	53	241	230	95	241	249	225	195	176
Federal Home Loan Bank Board:											
Home loan banks	−72	−450	144	164	−124	−628	854	182	−487	872	363
Federal Deposit Insurance Corporation	−87	−102	−98	−104	−104	−115	−124	−134	−148	−154	−161
Total Government-sponsored enterprises	−119	−433	99	324	46	−627	1,292	484	−239	1,092	685

Less certain trust expenditures which are also receipts [3]	−7	−18	−16	−12	−10	−11	−135	−908	−515	−528	−505
Net expenditures [4]	5,129	6,711	8,577	9,611	12,938	15,325	19,521	21,212	22,793	25,141	26,545
Excess of receipts, or expenditures (−)	3,760	2,386	892	1,996	1,363	829	−2,751	−870	790	−851	1,143
INVESTMENTS OF GOVERNMENT AGENCIES IN PUBLIC DEBT AND AGENCY SECURITIES (NET) [7]											
Employees' life insurance fund	-----	-----	-----	1	5	36	58	48	47	51	56
Federal old-age and survivors insurance trust fund	1,545	1,522	[8] 1,241	1,463	220	−499	−1,290	−726	−225	−1,089	−821
Federal disability insurance trust fund	-----	-----	-----	-----	325	729	552	494	285	21	−129
Railroad retirement account	280	202	141	121	36	−33	−35	264	−78	−63	1
Unemployment trust fund	590	−248	−545	258	274	−1,255	−1,011	−41	−952	72	456
National service life insurance fund	59	23	73	135	89	95	76	62	−44	44	−90
Government life insurance fund	−2	−65	−1	−16	−16	−56	−17	−21	−35	−44	−25
Federal employees' retirement funds [1]	588	252	314	548	803	671	958	871	1,063	1,034	1,075
Highway trust fund	-----	-----	-----	-----	404	418	−393	−428	233	202	242
Other trust funds and accounts [9]	9	1	14	77	122	−59	−60	−2	−20	42	245
Public enterprise funds	79	−77	126	101	36	91	102	166	149	191	287
Government-sponsored enterprises	153	443	170	548	39	460	−70	239	434	30	771
Net investments, or sales (−)	3,301	2,054	1,532	3,235	2,339	597	−1,130	925	855	493	2,069
SALES AND REDEMPTIONS OF GOVERNMENT AGENCY SECURITIES IN THE MARKET (NET)											
Guaranteed:											
Public enterprise funds	−7	−29	37	−30	−33	6	−10	−28	−81	−204	−162
Trust enterprise funds	-----	-----	-----	-----	-----	-----	-----	(*)	−19	-----	-----
Not guaranteed:											
Public enterprise funds	65	44	−639	−44	136	−233	6	(*)	747	−95	(*)
Trust enterprise funds	-----	-----	-----	−100	−1,188	−340	−67	−994	86	−359	597
Government-sponsored enterprises	−33	−11	−269	−872	−86	167	−1,222	−723	−195	−1,122	−1,457
Net redemptions, or sales (−)	25	4	−871	−1,046	−1,171	−400	−1,293	−1,746	537	−1,780	−1,022

[1] Consists of civil service and foreign service retirement and disability funds.
[2] Includes principally: District of Columbia revenues from taxes, etc., and Federal contributions, loans, and grants to the District of Columbia; Indian tribal funds; adjusted certificate fund; increment resulting from reduction in weight of gold dollar; and funds appropriated to the President. The railroad unemployment insurance administration fund is included from 1954 through November 1958.
[3] Totals shown for trust receipts and trust expenditures exclude certain interfund transactions which are included in the detail of both trust receipts and trust expenditures. The transactions deducted consist mainly of financial interchanges between trust funds resulting in receipts and expenditures. For details of these transactions, for the fiscal years 1960-63, see table 9.
[4] Beginning fiscal 1953, refunds of taxes (principal only) are shown as deductions from receipts; they were formerly included in the respective trust fund expenditures.
[5] Includes reimbursement for certain administrative expenses met out of general fund appropriations.
* Less than $500,000.
[6] Includes principally: Adjusted service certificate fund; District of Columbia operating expenses; Indian tribal funds; funds appropriated to the President; payment of melting losses on gold; railroad unemployment insurance administration fund from 1954 through November 1958; beginning with 1955 Federal National Mortgage Association secondary market operations (net); employees health benefits and life insurance funds; and other trust enterprise funds.
[7] Includes investments in agency securities beginning in fiscal 1955.
[8] Includes $300 million redemption for adjustment of excess transfers.
[9] Includes adjusted service certificate fund; employees health benefits and life insurance funds; and investments of other accounts. Beginning with fiscal 1957 includes Federal National Mortgage Association (secondary market operations) and judicial survivors annuity fund. Federal intermediate credit banks are included from Jan. 1, 1957, through Dec. 31, 1958; beginning Jan. 1, 1959, they are classified as Government-sponsored enterprises.

TABLE 17.—*Cash income and outgo, fiscal years 1953–63*

[In millions of dollars. On basis of the "Monthly Statement of Receipts and Expenditures of the United States Government"]

PART I.—SUMMARY OF FEDERAL GOVERNMENT CASH TRANSACTIONS WITH THE PUBLIC

Classification	1953	1954	1955	1956	1957	1958	1959	1960	1961	1962	1963
Federal receipts from the public:											
Administrative budget receipts (net) [1]	64,671	64,420	60,209	67,850	70,562	68,550	67,915	77,763	77,659	81,409	86,376
Trust and other receipts (net) [2]	8,889	9,097	9,470	11,607	14,301	16,153	16,769	20,342	23,583	24,290	27,689
Intragovernmental and other noncash transactions (see receipt adjustments Part II)	−2,064	−1,891	−1,843	−2,370	−2,758	−2,811	−3,025	−3,027	−4,001	−3,834	−4,326
Total Federal receipts from the public	71,495	71,626	67,836	77,087	82,105	81,892	81,660	95,078	97,242	101,865	109,739
Federal payments to the public:											
Administrative budget expenditures (net) [1]	74,120	67,537	64,389	66,224	68,966	71,369	80,342	76,539	81,515	87,787	92,642
Trust fund and other expenditures (net) [2]	5,129	6,711	8,577	9,611	12,938	15,325	19,521	21,212	22,793	25,141	26,545
Intragovernmental and other noncash transactions (see payment adjustments Part II)	−2,480	−2,389	−2,429	−3,290	−1,899	−3,222	−5,111	−3,423	−4,766	−5,266	−5,436
Total Federal payments to the public	76,769	71,858	70,537	72,546	80,006	83,472	94,752	94,328	99,542	107,662	113,751
Excess of cash receipts from, or payments to (−) the public	−5,273	−232	−2,702	4,541	2,099	−1,580	−13,092	750	−2,300	−5,797	−4,012
Cash borrowing from the public, or repayment (−):											
Public debt increase, or decrease (−)	6,966	5,189	3,115	−1,623	−2,224	5,816	8,363	1,625	2,640	9,230	7,659
Net sales of Government agency securities in market (net)	−25	−4	871	1,046	1,171	400	1,293	1,746	−537	1,780	1,022
Net investment (−) in public debt and agency securities	−3,301	−2,055	−1,532	−3,235	−2,339	−597	1,130	−925	−855	−493	−2,069
Other noncash transactions (see borrowing adjustments, Part II)	−722	−618	−644	−623	292	200	−2,160	−597	−536	−923	−1,033
Total net cash borrowing from the public, or repayment (−)	2,918	2,513	1,809	−4,436	−3,100	5,820	8,626	1,848	712	9,594	5,579
Seigniorage [3]	56	73	29	23	49	59	44	53	55	58	45
Total cash transactions with the public	−2,299	2,353	−863	128	−952	4,299	−4,422	2,651	−1,533	3,854	1,611
Cash balances—net increase, or decrease (−):											
Treasurer's account	−2,299	2,096	−551	331	−956	4,159	−4,399	2,654	−1,311	3,736	1,686
Cash held outside Treasury		257	−312	−202	5	140	−23	−4	−222	118	−74
Total changes in the cash balances	−2,299	2,353	−863	128	−952	4,299	−4,422	2,651	−1,533	3,854	1,611

PART II.—INTRAGOVERNMENTAL AND OTHER NONCASH TRANSACTIONS

[Showing details of amounts included as adjustments in Part I]

Classification	1953	1954	1955	1956	1957	1958	1959	1960	1961	1962	1963
Adjustments applicable to receipts:											
Intragovernmental transactions:											
Interest on trust fund investments	1,094	1,188	1,173	1,207	1,318	1,342	1,315	1,327	1,404	1,423	1,467
Civil service retirement—payroll deductions for employees [4]	419	429	436	571	641	660	744	744	838	845	914
Civil service retirement—employers' share [4]	321	31	30	233	525	579	744	744	838	845	914
Other	173	169	175	335	224	170	178	159	866	663	986
Subtotal	2,008	1,817	1,814	2,346	2,709	2,751	2,980	2,975	3,945	3,776	4,281
Excess profits tax refund bonds [5]	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
Seigniorage [3]	56	73	29	23	49	59	44	53	55	58	45
Total receipt adjustments	2,064	1,891	1,843	2,370	2,758	2,811	3,025	3,027	4,001	3,834	4,326
Adjustments applicable to payments:											
Intragovernmental transactions (see detail under receipt adjustments)	2,008	1,817	1,814	2,346	2,709	2,751	2,980	2,975	3,945	3,776	4,281
Applicable also to net borrowings:											
Savings bonds increment [6]	681	594	463	393	336	385	383	136	430	496	577
Discount on securities	38	−70	33	62	52	−131	418	205	−209	145	119
International Monetary Fund notes	28	109	156	175	−674	−450	1,361	259	258	171	255
Other special security issues [7]	−24	−14	−8	−7	−6	−4	−2	−2	56	111	83
Subtotal	722	618	644	623	−292	−200	2,160	597	536	923	1,033
Accrued interest on public debt [8]	....	68	26	r 82	r 39	r 93	r 76	r 132	6	18	186
Checks outstanding and other accounts [9]	−250	−115	−55	238	−557	576	−105	−281	279	548	−64
Total payment adjustments	2,480	2,389	2,429	3,290	1,899	3,222	5,111	3,423	4,766	5,266	5,436
Adjustments applicable to net borrowings:											
Debt issuance representing:											
Receipts—excess profits tax refund bonds [5]	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
Payments (see detail under payment adjustments)	722	618	644	623	−292	−200	2,160	597	536	923	1,033
Total borrowing adjustments (net)	722	618	644	623	−292	−200	2,160	597	536	923	1,033

r Revised.
*Less than $500,000.
[1] For details see table 12.
[2] For details see table 13.
[3] Includes the increment resulting from reduction in the weight of the gold dollar; excluded from receipts from the public but included in cash deposits in the Treasurer's account.
[4] Beginning with fiscal 1958 excludes District of Columbia.
[5] Treated as noncash refund deductions from receipts when issued and as cash refund deductions when redeemed.
[6] Accrued interest on savings bonds, i.e., the difference between the purchase price and the current redemption value less interest paid.
[7] Includes adjustments for payments of adjusted service bonds and Armed Forces leave bonds; also, includes the net issue or redemption of special notes to the International Development Association and the Inter-American Development Bank.
[8] Net increase or decrease of public debt interest due and accrued beginning June 30, 1955, effective date of the change in accounting and reporting from a due and payable basis to an accrual basis; for 1954, consists only of public debt interest checks and coupons outstanding. Not reported as a separate clearing account before 1954.
[9] Checks outstanding less deposits in transit, and changes in other accounts; net increase, or decrease (−). Before 1954 includes also public debt interest due and unpaid. (See also footnote 6.)

TABLE 18.—*Administrative budget receipts and expenditures based on existing and proposed legislation, actual for the fiscal year 1963 and estimated for 1964 and 1965*

[In millions of dollars. On basis of 1965 Budget document]

Source	1963 actual	1964 estimate	1965 estimate
ADMINISTRATIVE BUDGET RECEIPTS			
Internal revenue:			
Individual income taxes:			
Withheld	38,719	38,200	35,500
Other	14,269	14,900	16,700
Total individual income taxes	52,988	53,100	52,200
Corporation income taxes	22,336	24,600	26,700
Excise taxes:			
Alcohol taxes:			
Distilled spirits (domestic and imported)	2,468	2,555	2,700
Beer	825	850	885
Rectification tax	26	28	30
Wines (domestic and imported)	102	105	110
Special taxes in connection with liquor occupations	21	22	22
Total alcohol taxes	3,442	3,560	3,747
Tobacco taxes:			
Cigarettes (small)	2,011	2,075	2,140
Manufactured tobacco (chewing, smoking, and snuff)	16	17	17
Cigars (large)	50	51	52
Cigarette papers and tubes	1	1	1
All other	2	2	2
Total tobacco taxes	2,079	2,146	2,212
Documents, other instruments, and playing cards taxes:			
Issues of securities, stock and bond transfers, purchases of foreign securities, and deeds of conveyance	140	160	190
Playing cards	9	9	10
Total taxes on documents, other instruments, and playing cards	149	169	200
Manufacturers excise taxes:			
Gasoline	2,497	2,612	2,665
Lubricating oils	74	80	83
Passenger automobiles	1,560	1,725	1,800
Automobile trucks, buses, and trailers	303	349	350
Parts and accessories for automobiles	225	240	255
Tires, inner tubes, and tread rubber	399	411	422
Electric, gas, and oil appliances	68	73	78
Electric light bulbs	36	40	44
Radio and television receiving sets, phonographs, phonograph records, and musical instruments	232	248	283
Mechanical refrigerators, quick-freeze units, and self-contained air-conditioning units	61	66	71
Business and store machines	75	70	70
Photographic equipment	25	26	28
Matches	4	4	4
Sporting goods, including fishing rods, creels, etc	24	29	35
Firearms, shells, and cartridges	16	17	18
Pistols and revolvers	2	2	2
Fountain and ballpoint pens; mechanical pencils	9	10	11
Total manufacturers excise taxes	5,610	6,002	6,219
Retailers excise taxes:			
Jewelry	182	196	205
Furs	29	32	34
Toilet preparations	158	180	202
Luggage, handbags, wallets, etc	74	78	83
Total retailers excise taxes	444	486	524

Footnotes at end of table.

TABLE 18.—*Administrative budget receipts and expenditures based on existing and proposed legislation, actual for the fiscal year 1963 and estimated for 1964 and 1965*—Continued

[In millions of dollars]

Source	1963 actual	1964 estimate	1965 estimate
ADMINISTRATIVE BUDGET RECEIPTS—Continued			
Internal revenue—Continued			
Excise taxes—Continued			
Miscellaneous excise taxes:			
Toll telephone service, telegraph and teletype service, wire mileage service, etc	365	380	415
General telephone service	516	540	585
Transportation of persons	234	106	20
Transportation of persons by air			98
Transportation of freight by air			8
Fuel used on inland waterways			8
Jet fuel			47
Diesel fuel used on highways	113	125	132
Use tax on certain vehicles	99	110	115
Admissions, exclusive of cabarets, roof gardens, etc	43	47	53
Cabarets, roof gardens, etc	40	44	50
Wagering taxes, including occupational taxes	6	6	6
Club dues and initiation fees	71	80	85
Lease of safe deposit boxes	7	7	8
Sugar tax	100	102	104
Coin-operated amusement and gaming devices	20	23	26
Bowling alleys and billiard and pool tables	5	5	6
All other miscellaneous excise taxes	2	2	2
Total miscellaneous excise taxes	1,620	1,577	1,768
Undistributed depositary receipts and unapplied collections	66	−19	45
Total excise taxes	13,410	13,921	14,715
Employment taxes:			
Federal Insurance Contributions Act and Self-Employment Contributions Act	13,484	15,415	15,789
Railroad Retirement Tax Act	572	617	682
Federal Unemployment Tax Act	948	900	711
Total employment taxes	15,004	16,932	17,182
Estate and gift taxes	2,187	2,360	2,765
Total internal revenue	105,925	110,913	113,562
Customs	1,241	1,310	1,495
Miscellaneous receipts:			
Miscellaneous taxes	5	5	5
Seigniorage	45	50	55
Bullion charges	1	2	1
Fees for permits and licenses	101	82	119
Fines, penalties, forfeitures	79	35	83
Gifts and contributions	(*)	(*)	(*)
Interest	765	952	880
Dividends and other earnings	860	917	937
Rents	437	255	343
Royalties	124	132	137
Sale of products	370	404	431
Fees and other charges for services and special benefits	110	125	142
Sale of Government property	263	377	474
Realization upon loans and investments	1,076	563	375
Recoveries and refunds	200	155	131
Total miscellaneous receipts	4,436	4,054	4,114
Gross receipts	111,602	116,277	119,171

Footnotes at end of table.

TABLE 18.—*Administrative budget receipts and expenditures based on existing and proposed legislation, actual for the fiscal year 1963 and estimated for 1964 and 1965*—Continued

[In millions of dollars]

Source	1963 actual	1964 estimate	1965 estimate
ADMINISTRATIVE BUDGET RECEIPTS—Continued			
Deduct:			
Transfers to:			
Federal old-age and survivors insurance trust fund	12,351	14,214	14,531
Federal disability insurance trust fund	994	1,050	1,076
Railroad retirement account	572	617	682
Unemployment trust fund	945	896	707
Highway trust fund	3,279	3,478	3,504
Refunds of receipts:			
Internal revenue:			
Individual income taxes	5,400	5,600	3,700
Corporation income taxes	757	900	900
Excise taxes	216	222	224
Employment taxes	143	155	186
Estate and gift taxes	20	25	25
Total internal revenue	6,536	6,902	5,035
Customs	35	35	35
Miscellaneous receipts	1	1	1
Total refunds of receipts	6,571	6,938	5,071
Deduct: Interest and other income received by Treasury from Government agencies included above and also included in expenditures	513	685	600
Net administrative budget receipts	86,376	88,400	93,000
NET ADMINISTRATIVE BUDGET EXPENDITURES			
Legislative branch	147	166	179
The judiciary	62	67	72
Executive Office of the President	23	25	28
Funds appropriated to the President [1]	2,247	2,817	2,533
Agriculture Department	7,735	6,978	5,815
Commerce Department	676	786	833
Defense Department: [1]			
Military	49,973	52,300	51,200
Civil	1,128	1,141	1,192
Health, Education, and Welfare Department	4,909	5,530	5,853
Interior Department	1,029	1,114	1,148
Justice Department	317	330	343
Labor Department	257	415	667
Post Office Department	770	546	475
State Department	408	385	382
Treasury Department	11,028	11,874	12,335
Atomic Energy Commission	2,758	2,800	2,735
Federal Aviation Agency	726	790	829
General Services Administration	466	555	578
Housing and Home Finance Agency	410	212	149
National Aeronautics and Space Administration	2,552	4,400	4,990
Veterans' Administration	5,173	5,349	5,066
Other independent agencies	293	193	−85
District of Columbia	66	66	88
Allowances, undistributed	----------	250	1,094
Subtotal administrative budget expenditures	93,155	99,089	98,500
Deduct: Interfund transactions (included in both receipts and expenditures)	513	685	600
Net administrative budget expenditures	92,642	98,405	97,900
Administrative budget surplus, or deficit (−)	−6,266	−10,005	−4,900

*Less than $500,000.

[1] Transactions for foreign assistance—military, transferred to Defense Department—military, in accordance with latest Budget structure.

TABLE 19.—*Trust and other transactions, actual for the fiscal year 1963 and estimated for 1964 and 1965*

[In millions of dollars. On basis of 1965 Budget document]

Source	1963 actual	1964 estimate	1965 estimate
TRUST ACCOUNTS, ETC.			
RECEIPTS			
Federal old-age and survivors insurance trust fund:			
Employment taxes	12,479	14,353	14,700
Less: Refunds of taxes	−128	−139	−169
Deposits by States	990	1,100	1,128
Interest on investments	512	529	553
Payment for military service credits			56
Other	2	3	3
Federal disability insurance trust fund:			
Employment taxes	1,005	1,062	1,089
Less: Refunds of taxes	−12	−12	−13
Deposits by States	82	81	83
Interest on investments	70	67	65
Payment for military service credits			4
Unemployment trust fund:			
Deposits by States	3,009	2,900	2,825
Federal unemployment taxes	948	900	711
Less: Refunds of taxes	−3	−4	−4
Railroad unemployment insurance account:			
Deposits by Railroad Retirement Board	150	147	154
Other receipts	45	31	18
Advance from revolving fund	−82		
Interest on investments	191	216	229
Advances from general fund for temporary unemployment compensation	2		
Railroad retirement account:			
Employment taxes	572	617	682
Interest and profits on investments	105	132	134
Repayment of advances to railroad unemployment insurance account			
Payment from FOASI trust fund	423	423	418
Payment from Federal disability insurance trust fund	20	20	18
Interest on loans to railroad unemployment insurance account	9	10	13
Proposed legislation—military service credits and other			14
Federal employees' retirement funds:			
Deductions from employees' salaries	924	949	962
Payments from other funds:			
Employing agency contributions	924	948	962
Federal contributions	30	62	
Voluntary contributions, donations, etc	13	13	13
Interest and profits on investments	364	419	464
Highway trust fund:			
Excise taxes	3,405	3,607	3,681
Less: Refunds of taxes	−126	−129	−128
Interest on investments	14	6	6
Proposed legislation			−49
Veterans' life insurance funds:			
Premiums and other receipts	494	501	499
Payments from general and special funds	6	7	6
Interest on investments	210	209	207
Foreign assistance—military	950	990	1,290
Indian tribal funds	69	46	44
District of Columbia	341	367	425
All other trust funds	186	220	258
Subtotal	28,193	30,651	31,349
Less: Interfund transactions [1]	−505	−488	−477
Net receipts	27,689	30,163	30,872
EXPENDITURES			
Federal old-age and survivors insurance trust fund:			
Benefit payments	13,845	14,629	15,376
Administrative expenses and construction	263	307	296
Payment to Railroad Retirement Board	423	423	418
Federal disability insurance trust fund:			
Benefit payments	1,171	1,255	1,324
Administrative expenses—reimbursement to Federal old-age and survivors insurance trust fund	65	66	81
Payment to railroad retirement account	20	20	18
Other	4	4	4

Footnotes at end of table.

TABLE 19.—*Trust and other transactions, actual for the fiscal year 1963 and estimated for 1964 and 1965*—Continued

[In millions of dollars]

Source	1963 actual	1964 estimate	1965 estimate
TRUST ACCOUNTS, ETC.—Continued			
EXPENDITURES—Continued			
Unemployment trust fund:			
Withdrawals by States	2,813	2,550	2,450
Grants to States for unemployment compensation and employment service administration	336	410	439
Railroad unemployment benefit payments	167	152	150
Temporary extended unemployment compensation:			
Benefits	−15		
Repayment of general fund advances	476	310	
Temporary unemployment compensation (1958 act)—repayment of advances to Treasury		93	190
Repayment of advances to railroad retirement trust fund			
Interest payments [2]	12	13	16
Administrative expenses	26	27	28
Federal extended benefits—proposed legislation			170
Railroad retirement account:			
Benefit payments	1,064	1,100	1,125
Administrative expenses	10	11	10
Advances to railroad unemployment insurance account	38	18	8
Interest on refund of taxes	(*)		
Federal employees' funds:			
Retirement funds	1,183	1,344	1,499
Employees health benefits fund (net)	−12	−15	−3
Employees' life insurance fund (net)	−32	−50	−52
Retired employees health benefits fund (net)	(*)	(*)	(*)
Highway trust fund:			
Federal-aid highways	3,017	3,550	3,649
Improvement of the Pentagon road network	(*)	1	1
Veterans' life insurance funds	826	633	487
Federal National Mortgage Association trust fund (net)	−730	30	138
Foreign assistance-military	674	860	1,225
Indian tribal funds	67	69	54
District of Columbia funds	334	396	417
Deposit funds and all other trust funds	324	130	219
Government-sponsored enterprises (net)	685	1,467	111
Subtotal	27,050	29,803	29,849
Less: Interfund transactions [1]	−505	−488	−477
Net expenditures	26,545	29,315	29,372
Excess of receipts (−), or expenditures	1,143	848	1,500
INVESTMENTS OF GOVERNMENT AGENCIES IN PUBLIC DEBT AND AGENCY SECURITIES (NET)			
Federal disability insurance trust fund	−129	−147	−204
Federal old-age and survivors insurance trust fund	−821	487	125
Federal employees' funds	1,144	1,095	940
Railroad retirement account	1	85	136
Unemployment trust fund	456	629	475
Veterans' life insurance funds	−114	83	226
Highway trust fund	242	−68	−140
Federal National Mortgage Association trust fund	136	−165	
District of Columbia municipal government funds	8	−26	−9
Other trust accounts	89	4	−12
Public enterprise funds	287	287	497
Government-sponsored enterprises	771	180	304
Net investments, or sales (−)	2,069	2,446	2,338
SALES AND REDEMPTIONS OF GOVERNMENT AGENCY SECURITIES IN THE MARKET (NET)			
Federal National Mortgage Association: Secondary market operations	597	183	−135
District of Columbia: Stadium fund			
Housing and Home Finance Agency:			
Federal Housing Administration	−162	−143	43
Management and liquidation functions fund	(*)		
Tennessee Valley Authority		−75	−75
Government-sponsored enterprises	−1,457	−1,647	−415
Other	(*)	(*)	(*)
Net redemptions, or sales (−)	−1,022	−1,681	−581

*Less than $500,000.

[1] For details of the transactions for the fiscal year 1963, see table 9.

[2] Payment of interest on advances from general fund and railroad retirement account and interest on refund of taxes.

TABLE 20.—*Effect of financial operations on the public debt, actual for the fiscal year 1963 and estimated for 1964 and 1965*

[In millions of dollars. On basis of 1965 Budget document]

Source	1963 actual	1964 estimate	1965 estimate
Administrative budget receipts and expenditures:			
Net receipts	86,376	88,400	93,000
Net expenditures	92,642	98,405	97,900
Administrative budget deficit	6,266	10,005	4,900
Trust fund receipts and expenditures:			
Net receipts	27,689	30,163	30,872
Net expenditures	26,545	29,315	29,372
Excess of expenditures, or receipts (−)	−1,143	−848	−1,500
Excess of investments in, or sales (−) of public debt and agency securities	2,069	2,446	2,338
Excess of sales (−), or redemptions of Government agency securities in market (net)	−1,022	−1,681	−581
Increase (−), or decrease in checks outstanding, deposits in transit (net), etc.	−122	−59	44
Changes in cash balances:			
Treasurer's account [1]	1,686	−3,916	....
Held outside Treasury	−74	−5	....
Net increase, or decrease (−)	1,611	−3,921	....
Increase in public debt	7,659	5,940	5,200
Gross debt beginning of period	298,201	305,860	311,800
Gross debt end of period	305,860	311,800	317,000
Guaranteed securities of Government agencies, not owned by Treasury	607	749	705
Total public debt and guaranteed securities	306,466	312,549	317,705
Less debt not subject to statutory limitation	368	360	355
Total debt subject to statutory limitation	306,098	312,189	317,350

[1] The balance in the Treasurer's account at the end of each year is as follows: $12,116 million for 1963; $8,200 million for 1964; and $8,200 million for 1965.

TABLE 21.—*Internal revenue collections by tax sources, fiscal years 1929–63* [1]

[In thousands of dollars. As reported by Internal Revenue Service, see "Bases of Tables" and Note]

Fiscal year	Income and profits taxes: Individual income taxes [2]: Withheld by employers	Income and profits taxes: Individual income taxes [2]: Other	Income and profits taxes: Individual income taxes [2]: Total individual income taxes	Income and profits taxes: Corporation income and profits taxes [3]	Income and profits taxes: Total income and profits taxes [2]	Employment taxes: Old-age and disability insurance taxes [2]	Employment taxes: Unemployment insurance taxes	Employment taxes: Railroad retirement tax	Employment taxes: Total employment taxes [2]	Capital stock tax [4]	Estate tax	Gift tax
1929		1,095,541	1,095,541	1,235,733	2,331,274					5,956	61,897	
1930		1,146,845	1,146,845	1,263,414	2,410,259					47	64,770	
1931		833,648	833,648	1,026,393	1,860,040						48,078	
1932		427,191	427,191	629,566	1,056,757						47,422	
1933		352,574	352,574	394,218	746,791						29,693	4,617
1934		419,509	419,509	400,146	819,656					80,168	103,985	9,153
1935		527,113	527,113	578,678	1,105,791					91,508	140,441	71,671
1936		674,416	674,416	753,032	1,427,448			48	48	94,943	218,781	160,059
1937		1,091,741	1,091,741	1,088,101	2,179,842	207,339	58,119	287	265,745	137,499	281,636	23,912
1938		1,286,312	1,286,312	1,342,718	2,629,030	502,918	90,267	149,476	742,660	139,349	382,175	34,699
1939		1,028,834	1,028,834	1,156,281	2,185,114	529,836	101,167	109,427	740,429	127,203	332,280	28,436
1940		982,017	982,017	1,147,592	2,129,609	605,350	106,123	122,048	833,521	132,739	330,886	29,185
1941		1,417,655	1,417,655	2,053,469	3,471,124	687,328	100,658	137,871	925,856	166,653	355,194	51,864
1942		3,262,800	3,262,800	4,744,083	8,006,884	895,336	119,617	170,409	1,185,362	281,900	340,323	92,217
1943	686,015	5,943,917	6,629,932	9,668,956	16,298,888	1,131,546	156,008	211,151	1,498,705	328,795	414,531	32,965
1944	7,823,435	10,437,570	18,261,005	14,766,796	33,027,802	1,290,025	183,337	265,011	1,738,372	380,702	473,466	37,745
1945	10,264,219	8,770,094	19,034,313	16,027,213	35,061,526	1,307,931	186,489	284,758	1,779,177	371,999	596,137	46,918
1946	9,857,589	8,846,947	18,704,536	12,553,602	31,258,138	1,237,825	178,745	284,258	1,700,828	352,121	629,601	47,232
1947	9,842,282	9,501,015	19,343,297	9,676,459	29,019,756	1,458,934	185,876	379,555	2,024,365	1,597	708,794	70,497
1948	11,533,577	9,464,204	20,997,781	10,174,410	31,172,191	1,612,721	208,508	560,113	2,381,342	1,723	822,380	76,965
1949	10,055,502	7,996,320	18,051,822	11,553,669	29,605,491	1,687,151	226,228	562,734	2,476,113	6,138	735,781	60,757
1950	9,888,976	7,264,332	17,153,308	10,854,351	28,007,659	1,873,401	223,135	548,038	2,644,575	266	657,441	48,785
1951	13,089,770	9,907,539	22,997,308	14,387,569	37,384,878	2,810,749	236,952	579,778	3,627,480	(4)	638,523	91,207
1952	17,929,047	11,345,060	29,274,107	21,466,910	50,741,017	3,584,025	259,616	620,622	4,464,264	(4)	750,591	82,556
1953	21,132,275	11,403,942	32,536,217	21,594,515	54,130,732	3,816,252	273,182	628,969	4,718,403	(4)	784,590	106,694
1954	22,077,113	10,736,578	32,813,691	21,546,322	54,360,014	4,218,520	283,882	605,221	5,107,623	(4)	863,344	71,778
1955	21,253,625	10,396,480	31,650,106	18,264,720	49,914,826	5,339,573	279,986	600,106	6,219,665	(4)	848,492	87,775
1956	24,015,676	11,321,966	35,337,642	21,298,522	56,636,164	6,336,805	324,656	634,323	7,295,784	(4)	1,053,867	117,370
1957	26,727,543	12,302,229	39,029,772	21,530,653	60,560,425	6,634,467	330,034	616,020	7,580,522	(4)	1,253,071	124,928
1958	27,040,911	11,527,648	38,568,559	20,533,316	59,101,874	7,733,223	335,880	575,282	8,644,386	(4)	1,277,052	133,873
1959	29,001,375	11,733,369	40,734,744	18,091,509	58,826,254	8,004,355	324,020	525,369	8,853,744	(4)	1,235,823	117,160
1960	31,674,588	13,271,124	44,945,711	22,179,414	67,125,126	10,210,550	341,108	606,931	11,158,589	(4)	1,439,259	187,089
1961	32,977,654	13,175,346	46,153,001	21,764,940	67,917,941	11,586,283	345,356	570,812	12,502,451	(4)	1,745,480	170,912
1962	36,246,109	14,403,485	50,649,594	21,295,711	71,945,305	11,686,231	457,629	564,311	12,708,171	(4)	1,796,227	238,960
1963	38,718,702	14,268,878	52,987,581	22,336,134	75,323,714	13,484,379	948,464	571,644	15,004,486	(4)	1,971,614	215,843

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Fiscal year	Excise taxes									
	Alcohol taxes [5]					Tobacco taxes [5]				Documents, other instruments, and playing cards [7]
	Distilled spirits [6]	Beer [6]	Wines	Other, including occupational taxes	Total alcohol taxes	Cigarettes	Cigars	Other	Total tobacco taxes, etc.	
1929	11,590	----------	293	894	12,777	342,034	22,872	69,539	434,445	64,174
1930	10,718	----------	239	738	11,695	359,881	21,443	69,015	450,339	77,729
1931	9,579	----------	228	625	10,432	358,961	18,296	67,019	444,277	46,954
1932	7,907	----------	187	610	8,704	317,565	14,434	66,580	398,579	32,241
1933	6,745	33,090	290	3,050	43,174	328,440	11,479	62,821	402,739	57,338
1934	68,468	163,271	3,411	23,762	258,911	350,299	11,806	63,063	425,169	66,580
1935	165,634	211,215	6,780	27,393	411,022	385,477	11,837	61,865	459,179	43,133
1936	222,431	244,581	8,968	29,484	505,464	425,505	12,361	63,299	501,166	68,990
1937	274,049	277,455	5,991	36,750	594,245	476,046	13,392	62,816	552,254	69,919
1938	260,066	269,348	5,892	32,673	567,979	493,454	12,882	61,846	568,182	46,233
1939	283,575	259,704	6,395	38,126	587,800	504,056	12,913	63,190	580,159	41,083
1940	317,732	264,579	8,060	33,882	624,253	533,059	12,995	62,464	608,518	38,681
1941	428,642	316,741	11,423	63,250	820,056	616,757	13,514	67,805	698,077	39,057
1942	574,598	366,161	23,986	83,772	1,048,517	704,949	14,482	61,551	780,982	41,702
1943	781,873	455,634	33,663	152,476	1,423,646	835,260	23,172	65,425	923,857	45,155
1944	899,437	559,152	34,095	126,091	1,618,775	904,046	30,259	54,178	988,483	50,800
1945	1,484,306	638,682	47,391	139,487	2,309,866	836,753	36,678	58,714	932,145	65,528
1946	1,746,580	650,824	60,844	67,917	2,526,165	1,072,971	41,454	51,094	1,165,519	87,676
1947	1,685,369	661,418	57,196	70,779	2,474,762	1,145,268	48,354	44,146	1,237,768	79,978
1948	1,436,233	697,097	60,962	61,035	2,255,327	1,208,204	46,752	45,325	1,300,280	79,466
1949	1,397,954	686,368	65,782	60,504	2,210,607	1,232,735	45,590	43,550	1,321,875	72,828
1950	1,421,900	667,411	72,601	57,291	2,219,202	1,242,851	42,170	43,443	1,328,464	84,648
1951	1,746,834	665,009	67,254	67,711	2,546,808	1,293,973	44,275	42,148	1,380,396	93,107
1952	1,589,730	727,604	72,374	159,412	2,549,120	1,474,072	44,810	46,281	1,565,162	84,995
1953	1,846,727	762,983	80,535	90,681	2,780,925	1,586,782	46,326	21,803	1,654,911	90,319
1954	[r] 1,873,630	769,774	78,678	[r] 60,928	[r] 2,783,012	1,513,740	[r] 45,618	[r] 20,871	[r] 1,580,229	90,000
1955	1,870,599	737,233	81,824	53,183	2,742,840	1,504,197	46,246	20,770	1,571,213	112,049
1956	2,023,334	765,441	86,580	45,219	2,920,574	1,549,045	45,040	19,412	1,613,497	114,927
1957	2,080,104	760,520	87,428	45,143	2,973,195	1,610,908	44,858	18,283	1,674,050	107,546
1958	2,054,184	757,597	90,303	44,377	2,946,461	1,668,208	47,247	18,566	1,734,021	109,452
1959	2,098,496	767,205	90,918	45,477	3,002,096	1,738,050	51,101	17,665	1,806,816	133,817
1960	2,255,761	796,233	98,850	42,870	3,193,714	1,863,562	50,117	17,825	1,931,504	139,231
1961	2,276,543	795,427	96,073	44,757	3,212,801	1,923,540	49,604	17,974	1,991,117	149,350
1962	2,386,487	813,482	98,033	43,281	3,341,282	1,956,527	49,726	19,483	2,025,736	159,319
1963	2,467,521	825,412	101,871	46,853	3,441,656	2,010,524	50,232	18,481	2,079,237	149,069

Footnotes at end of table.

TABLE 21.—*Internal revenue collections by tax sources, fiscal years 1929–63* [1]—Continued

[In thousands of dollars]

Fiscal year	Excise taxes—Continued												
	Manufacturers excise taxes [8]												
	Gasoline	Lubricating oils	Passenger automobiles and motorcycles	Automobile trucks and busses	Parts and accessories for automobiles	Tires, tubes, and tread rubber	Business and store machines	Refrigerators, freezers, air-conditioners, etc.	Radio and television receiving sets and phonographs, parts	Electric, gas, and oil appliances	Electrical energy	All other [9]	Total manufacturers excise taxes
1929	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	5,712	5,712
1930	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	2,665	2,665
1931	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	138	138
1932	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	87	87
1933	124,929	16,233	12,574	1,654	3,597	14,980	-------	2,112	2,207	-------	28,563	36,751	243,600
1934	202,575	25,255	32,527	5,048	5,696	27,630	-------	5,526	3,157	-------	33,134	44,743	385,291
1935	161,532	27,800	38,003	6,158	6,456	26,638	-------	6,664	3,625	-------	32,577	32,692	342,145
1936	177,340	27,103	48,201	7,000	7,110	32,208	-------	7,939	5,075	-------	33,575	37,165	382,716
1937	196,533	31,463	65,265	9,031	10,086	40,819	-------	9,913	6,754	-------	35,975	44,744	450,581
1938	203,648	31,565	43,365	6,697	7,989	31,567	-------	8,829	5,849	-------	38,455	39,188	417,152
1939	207,019	30,497	42,723	6,008	7,935	34,819	-------	6,958	4,834	-------	39,859	16,323	396,975
1940	226,187	31,233	59,351	7,866	10,630	41,555	-------	9,954	6,080	-------	42,339	11,957	447,152
1941	343,021	38,221	81,403	10,747	13,084	51,054	-------	13,279	6,935	-------	47,021	12,609	617,373
1942	369,587	46,432	77,172	18,361	28,088	64,811	6,972	16,246	19,144	17,702	49,978	57,406	771,898
1943	288,786	43,318	1,424	4,230	20,478	18,345	6,461	5,966	5,561	6,913	48,705	54,559	504,746
1944	271,217	52,473	1,222	3,247	31,551	40,334	3,760	2,406	3,402	5,027	51,239	37,584	503,462
1945	405,563	92,865	2,558	20,847	49,440	75,257	10,120	1,637	4,753	12,060	57,004	50,406	782,511
1946	405,695	74,602	25,893	37,144	68,871	118,092	15,792	9,229	13,385	25,492	59,112	69,365	922,671
1947	433,676	82,015	204,680	62,099	99,932	174,927	25,183	37,352	63,856	65,608	63,014	113,052	1,425,395
1948	478,638	80,887	270,958	91,963	122,951	159,284	32,707	58,473	67,267	87,858	69,701	128,548	1,649,234
1949	503,647	81,760	332,812	136,797	120,138	150,899	33,344	77,833	49,160	80,935	79,347	124,860	1,771,533
1950	534,270	70,072	452,066	123,630	88,733	151,705	30,012	64,316	42,085	80,406	85,704	112,966	1,836,053
1951	588,647	77,639	653,363	121,285	119,475	198,383	44,491	96,319	128,187	121,996	93,184	140,706	2,383,677
1952	734,715	73,746	578,149	147,445	164,135	161,328	48,515	57,970	118,244	89,544	53,094	122,059	2,348,943
1953	890,679	73,321	785,716	210,032	177,924	180,047	50,259	87,424	159,383	113,390	(10)	134,613	2,862,788
1954	836,893	68,029	867,482	149,914	134,759	152,567	48,992	75,059	135,535	97,415	(10)	122,488	2,689,133
1955	954,678	69,818	1,047,813	134,805	136,709	164,316	57,281	38,004	136,849	50,859	(10)	93,883	2,885,016
1956	1,030,397	74,584	1,376,372	189,434	145,797	177,872	70,146	49,078	161,098	71,064	(10)	110,171	3,456,013
1957	1,458,217	73,601	1,144,233	199,298	157,291	251,454	83,175	46,894	149,192	75,196	(10)	123,374	3,761,925
1958	1,636,629	69,906	1,170,003	206,104	166,720	259,820	90,658	39,379	146,422	61,400	(10)	127,004	3,974,135
1959	1,700,253	73,685	1,039,272	215,279	166,234	278,911	93,894	40,593	152,566	62,373	(10)	135,728	3,958,789
1960	2,015,863	81,679	1,331,292	271,938	189,476	304,466	99,370	50,034	169,451	69,276	(10)	152,285	4,735,129
1961	2,370,303	74,296	1,228,629	236,659	188,819	279,572	98,305	55,920	148,989	64,483	(10)	150,826	4,896,802
1962 [11]	2,412,714	73,012	1,300,440	257,200	198,077	361,562	81,719	54,638	173,024	66,435	(10)	154,129	5,132,949
1963	2,497,316	74,410	1,559,510	303,144	224,507	398,860	74,845	61,498	184,220	68,171	(10)	163,827	5,610,309

Fiscal year	Excise taxes—Continued										
	Retailers excise taxes					Miscellaneous excise taxes					
	Jewelry	Furs	Toilet preparations	Luggage, handbags, wallets	Total retailers excise taxes	Toll telephone, telegraph, radio, and cable services	General telephone service	Transportation of persons	Transportation of property (including coal)	Admissions: General admissions	Admissions: Cabarets
1929										5,419	664
1930										3,519	712
1931										2,271	508
1932										1,460	399
1933						14,565				14,771	750
1934						19,251				14,019	595
1935						19,741				14,426	954
1936						21,098				15,773	1,339
1937						24,570				18,185	1,555
1938						23,977				19,284	1,517
1939						24,094				18,029	1,442
1940						26,368				20,265	1,623
1941						27,331				68,620	2,343
1942	41,501	19,744	18,922		[r] 80,176	48,231	26,791	21,379		107,633	7,400
1943	88,366	44,223	32,677		165,266	91,174	66,987	87,132	82,556	138,054	16,397
1944	113,373	58,726	44,790	8,343	225,232	141,275	90,199	153,683	215,488	178,563	26,726
1945	184,220	79,418	86,615	73,851	424,105	208,018	133,569	234,182	221,088	300,589	56,877
1946	223,342	91,706	95,574	81,423	492,046	234,393	145,689	226,750	220,121	343,191	72,077
1947	236,615	97,481	95,542	84,588	514,227	252,746	164,944	244,003	275,701	392,873	63,350
1948	217,899	79,539	91,852	80,632	469,923	275,255	193,521	246,323	317,203	385,101	53,527
1949	210,688	61,946	93,969	82,607	449,211	311,380	224,531	251,389	337,030	385,844	48,857
1950	190,820	45,781	94,995	77,532	409,128	312,339	247,281	228,738	321,193	371,244	41,453
1951	210,239	57,604	106,339	82,831	457,013	354,660	290,320	237,617	381,342	346,492	42,646
1952	220,339	51,436	112,892	90,799	475,466	395,434	310,337	275,174	388,589	330,816	45,489
1953	234,659	49,923	115,676	95,750	496,009	417,940	357,933	287,408	419,604	312,831	46,691
1954	209,256	39,036	110,149	79,891	438,332	412,508	359,473	247,415	395,554	271,952	38,312
1955	142,366	27,053	71,829	50,896	292,145	230,251	290,198	200,465	398,039	106,086	39,271
1956	152,340	28,261	83,776	57,519	321,896	241,543	315,690	214,903	450,579	104,018	42,255
1957	156,604	29,494	92,868	57,116	336,081	266,186	347,024	222,158	467,978	75,847	43,247
1958	156,134	28,544	98,158	58,785	341,621	279,375	370,810	225,809	462,989	54,683	42,919
1959	156,382	29,909	107,968	61,468	355,728	292,412	398,023	227,044	[12] 143,250	49,977	45,117
1960	165,699	30,207	120,211	62,573	378,690	312,055	426,242	255,459	[12] 3,140	34,494	49,605
1961	168,498	29,226	131,743	68,182	397,649	343,894	483,408	264,262	1,306	36,679	33,603
1962 [11]	176,023	31,163	144,594	69,384	421,163	350,566	492,912	262,760	568	39,169	35,606
1963	181,902	29,287	158,351	74,019	443,558	364,618	515,987	233,928	451	42,789	39,794

Footnotes at end of table.

TABLE 21.—*Internal revenue collections by tax sources, fiscal years 1929–63* [1]—Continued

[In thousands of dollars]

Fiscal year	Excise taxes—Continued								Taxes not otherwise classified	Grand total
	Miscellaneous excise taxes—Continued						Unclassified excise taxes [15]	Total excise taxes		
	Club dues and initiation fees	Sugar	Diesel and special motor fuels [13]	Use tax on highway motor vehicles weighing over 26,000 lbs. [13]	All other [14]	Total miscellaneous excise taxes				
1929	11,245	-	-	-	5,492	22,820	-	539,927	-	2,939,054
1930	12,521	-	-	-	5,891	22,642	-	565,070	-	3,040,146
1931	11,478	-	-	-	4,053	18,310	-	520,110	-	2,428,229
1932	9,205	-	-	-	2,876	13,939	-	453,550	-	1,557,729
1933	6,679	-	-	-	55,122	91,886	-	838,738	-	1,619,839
1934	5,986	-	-	-	112,052	151,902	-	1,287,854	[16] 371,423	2,672,239
1935	5,784	-	-	-	67,418	108,324	-	1,363,802	[16] 526,222	3,299,436
1936	6,091	-	-	-	44,656	88,957	-	1,547,293	[16] 71,637	3,520,208
1937	6,288	-	-	-	46,964	97,561	-	1,764,561	-	4,653,195
1938	6,551	30,569	-	-	49,410	131,307	-	1,730,853	-	5,658,765
1939	6,217	65,414	-	-	46,900	162,096	-	1,768,113	-	5,181,574
1940	6,335	68,145	-	-	43,171	165,907	-	1,884,512	-	5,340,452
1941	6,583	74,835	-	-	45,143	224,855	-	2,399,417	-	7,370,108
1942	6,792	68,230	-	-	131,461	417,916	-	3,141,183	-	13,047,869
1943	6,520	53,552	-	-	192,460	734,831	-	3,797,503	-	22,371,386
1944	9,182	68,789	-	-	193,017	1,076,921	-	4,463,674	-	40,121,760
1945	14,160	73,294	-	-	188,700	1,430,476	-	5,944,630	-	43,800,388
1946	18,899	56,732	-	-	172,249	1,490,101	-	6,684,178	-	40,672,097
1947	23,299	59,152	-	-	75,176	1,551,245	-	7,283,376	-	39,108,386
1948	25,499	71,247	-	-	88,035	1,655,711	-	7,409,941	-	41,864,542
1949	27,790	76,174	-	-	89,799	1,752,792	-	7,578,846	-	40,463,125
1950	28,740	71,188	-	-	98,732	1,720,908	-	7,598,405	-	38,957,132
1951	30,120	80,192	-	-	79,210	1,842,598	-	8,703,599	-	50,445,686
1952	33,592	78,473	7,138	-	82,430	1,947,472	-	8,971,158	-	65,009,586
1953	36,829	78,130	15,091	-	88,708	2,061,164	-	9,946,116	-	69,686,535
1954	31,978	74,477	17,969	-	86,889	1,936,527	-	[r] 9,517,233	-	[r] 69,919,991
1955	41,963	78,512	22,692	-	85,156	1,492,633	114,687	9,210,582	[17] 7,352	66,288,692
1956	47,171	82,894	24,464	-	84,981	1,608,497	−31,209	10,004,195	[17] 5,269	75,112,649
1957	54,236	86,091	39,454	27,163	89,132	1,718,509	66,237	10,637,544	[17] 15,482	80,171,971
1958	60,338	85,911	46,061	33,117	79,316	1,741,327	−32,749	10,814,268	[17] 7,024	79,978,476
1959	64,813	86,378	52,528	32,532	43,879	1,435,953	66,351	10,759,549	[17] 5,444	79,797,973
1960	67,187	89,856	71,869	38,333	38,588	1,386,829	99,644	11,864,741	-	91,774,803
1961	64,357	91,818	88,856	45,575	43,767	1,497,526	−80,943	12,064,302	-	94,401,086
1962 [11]	69,452	96,636	105,178	79,761	37,651	1,570,258	101,468	12,752,176	-	99,440,839
1963	71,097	99,903	113,012	99,481	38,596	1,619,656	66,251	13,409,737	-	105,925,395

[1] For figures for 1863-1915, see 1929 annual report, p. 419; and for 1916-1928, see 1947 annual report, p. 310.

[2] Beginning with January 1951, withheld income taxes and old-age insurance taxes on employees and employers and, beginning with January 1957, disability insurance taxes on employees and employers are paid into the Treasury in combined amounts without separation as to type of tax. Similarly, for the same periods, the old-age insurance and disability insurance taxes on self-employment income are combined with income tax other than withheld. The distribution of amounts of these taxes by type is based on estimates made by the Secretary of the Treasury in accordance with provisions of section 201(a) of the Social Security Act, as amended (42 U.S.C. 401(a)). Individual income taxes withheld by employers, 1951 through 1956, include amounts subsequently transferred to the Government of Guam, under the provisions of the act approved August 1, 1950 (48 U.S.C. 1421 h). Beginning with 1957 these amounts are excluded.

[3] Beginning with 1952 includes the tax on business income of exempt organizations. Includes income tax on the Alaska Railroad, which was repealed effective for taxable years ending after June 30, 1952.

[4] Repealed for years ending in period July 1, 1926, through June 30, 1932, and for years ending after June 30, 1945. Beginning with 1951 included under "Miscellaneous excise taxes, All other."

[5] Beginning with 1954 includes amounts of tax collected in Puerto Rico upon products of Puerto Rican manufacture coming into the United States; data for earlier years are exclusive of such amounts.

[6] Through 1956 "Distilled spirits" include amounts collected by Customs on imports of both distilled spirits and beer. Beginning with 1957 imported beer is included with "Beer" instead of "Distilled spirits."

[7] Includes stamp taxes on bonds, issues of capital stock, deeds of conveyance, transfers of capital stock and similar interest sales, playing cards, and silver bullion sales or transfers.

[8] Includes taxes on sales under the act of October 22, 1914; manufacturers, consumers, and dealers excise taxes under war revenue and subsequent acts; and for 1932 and subsequent years, manufacturers excise taxes under the act of 1932, as amended. Soft drink taxes are included under "Miscellaneous excise taxes, All other."

[9] Beginning with 1933 includes manufacturers' excise taxes on jewelry, furs, and toilet preparations; beginning 1942 includes manufacturers' excise taxes on phonograph records, musical instruments, and luggage. The tax on phonograph records for 1933 through 1941 was not reported separately and is included in "Radio and television receiving sets and phonographs, parts." See also footnote 14.

[10] Repealed by Revenue Act of 1951. Collections for the years subsequent to 1952 are included under "Miscellaneous excise taxes, All other."

[11] Revised to allocate unapplied collections pending as of June 30, 1962, except for transportation of property and highway use tax.

[12] Repealed effective August 1, 1958 (26 U.S.C. 4292 note).

[13] Beginning with fiscal 1957 collections are applied in accordance with provisions of the Highway Revenue Act of 1956, as amended (23 U.S.C. 120 note).

[14] Includes: Certain delinquent taxes collected under repealed laws, except automobile taxes for 1929 and 1930 which are included under "Manufacturers excise taxes, All other," and capital stock taxes prior to 1951 which are shown under "Capital Stock"; internal revenue collected through customs offices for 1929-33 which subsequently are included under "Alcohol taxes"; and various other taxes not shown separately.

[15] Includes undistributed depositary receipts and unapplied collections of excise taxes.

[16] Consists of agricultural adjustment taxes.

[17] Beginning with 1955, includes unidentified and excess collections, and profits from sale of acquired property. For 1954 and earlier years such amounts are included in "Miscellaneous excise taxes, All other." For 1955 through 1957 also includes depositary receipts outstanding six months or more for which no tax accounts were identified.

[r] Revised.

NOTE.—These figures are from Internal Revenue Service reports of collections and for years prior to 1955 are not directly comparable to gross budget receipts from internal revenue. The differences in amounts occur because of differences in the time when payments are included in the respective reports. Through 1954 the payments were included in Internal Revenue Service collection reports after the returns to which they applied had been received in internal revenue offices. Beginning with 1955 tax payments are included in budget receipts when reported in the Account of the Treasurer of the United States.

Under arrangements begun in 1950, for withheld income tax and old-age insurance taxes and later extended to railroad retirement taxes and many excises, these taxes are paid currently into Treasury depositaries and the depositary receipts, as evidence of such payment, are attached to quarterly returns to the Internal Revenue Service. Under this procedure, the payments are included in budget receipts in the month in which the depositary receipts are issued to taxpayers.

Revised accounting procedures, effective July 1, 1954, extended this practice to Internal Revenue Service collection reports, so that these reports likewise include depositary receipts in the month in which they are issued instead of the month in which tax returns supported by the receipts are received in directors' offices. It is not possible to make a complete classification of excise taxes paid into depositaries until the returns are received. Accordingly, the item "Unclassified excise taxes" includes the amount of "undistributed depositary receipts," i.e., the amount of depositary receipts issued, less the amount of depositary receipts received with returns and distributed by classes of tax.

TABLE 22.—*Internal revenue collections and refunds by States, fiscal year 1963*

[In thousands of dollars. On basis of Internal Revenue Service reports]

States, etc.	Individual income and employment taxes	Corporation income taxes	Excise taxes	Estate and gift taxes	Total collections	Refunds of taxes
Alabama	527,944	133,667	17,974	11,905	691,490	71,250
Alaska	69,770	4,641	2,496	168	77,074	8,616
Arizona	332,276	47,335	8,585	13,026	401,223	49,047
Arkansas	255,692	37,406	21,532	5,118	319,748	34,907
California	7,186,105	1,439,948	907,988	272,730	9,806,770	901,664
Colorado	1,017,857	129,968	106,682	18,858	1,273,365	68,840
Connecticut	1,243,629	352,266	141,392	69,867	1,807,154	96,893
Delaware	403,280	546,432	3,176	30,571	983,458	16,270
Florida	1,179,416	245,460	87,698	60,784	1,573,357	157,268
Georgia	857,051	259,022	140,877	24,143	1,281,093	86,727
Hawaii	215,879	39,544	9,411	6,318	271,153	28,570
Idaho	153,995	27,745	4,978	1,954	188,672	20,805
Illinois	5,254,264	1,701,245	979,802	146,429	8,081,740	410,440
Indiana	1,588,317	402,505	362,166	29,676	2,382,663	136,136
Iowa	615,029	152,885	35,948	16,096	819,958	78,321
Kansas	550,642	114,200	29,708	18,248	712,797	62,369
Kentucky	520,059	152,876	1,058,062	15,487	1,746,485	66,585
Louisiana	594,235	143,605	62,723	27,076	827,640	82,748
Maine	197,739	38,680	5,835	12,406	254,660	27,691
Maryland [1]	1,867,319	327,395	264,588	54,353	2,513,655	153,115
Massachusetts	2,151,917	619,780	190,732	84,348	3,046,777	201,944
Michigan	3,572,124	2,607,336	2,029,039	66,704	8,275,202	293,484
Minnesota	1,146,006	343,399	116,508	39,180	1,645,092	127,411
Mississippi	252,048	35,652	14,836	5,426	307,962	34,308
Missouri	1,603,042	499,518	277,869	51,259	2,431,689	144,459
Montana	140,954	25,522	5,247	2,952	174,675	18,313
Nebraska	469,420	104,107	56,268	15,105	644,900	37,880
Nevada	156,056	32,514	11,922	4,581	205,072	16,389
New Hampshire	180,542	31,962	3,289	5,633	221,425	20,544
New Jersey	2,262,810	693,267	318,096	86,019	3,360,192	251,587
New Mexico	199,409	22,127	8,544	3,180	233,259	28,809
New York	11,386,105	5,889,392	1,518,604	372,538	19,166,639	788,292
North Carolina	869,684	443,572	1,309,796	43,620	2,666,672	94,244
North Dakota	104,594	11,418	3,557	1,619	121,189	16,086
Ohio	3,998,385	1,350,906	711,169	118,654	6,179,114	375,327
Oklahoma	574,086	157,422	213,758	16,150	961,416	72,495
Oregon	542,984	84,278	21,361	15,418	664,041	65,192
Pennsylvania	4,551,508	1,108,798	778,516	151,535	6,590,357	403,102
Rhode Island	315,181	79,436	21,205	13,258	429,080	31,628
South Carolina	336,819	90,148	18,282	16,393	461,642	44,305
South Dakota	121,509	16,467	6,344	3,480	147,800	17,134
Tennessee	715,797	176,182	47,640	23,710	963,329	77,537
Texas	2,582,821	654,888	638,525	95,854	3,972,087	330,314
Utah	235,894	46,042	16,633	3,399	301,967	34,699
Vermont	85,455	14,162	7,920	2,682	110,219	10,026
Virginia	924,647	234,018	406,652	23,820	1,589,136	118,378
Washington	1,036,588	179,576	92,937	23,351	1,332,453	109,241
West Virginia	281,253	47,642	16,993	11,571	357,459	41,086
Wisconsin	1,207,093	404,105	177,063	34,233	1,822,494	128,932
Wyoming	76,095	7,973	10,057	3,387	97,512	10,809
International [2]	239,365	27,764	46,213	13,189	326,531	31,945
Undistributed:						
Depositary receipts [3]	971,474		62,541		1,034,015	
Transferred to Government of Guam	−3,756	−61			−3,817	
Withheld taxes of Federal employees [4]	73,661				73,661	
Unclassified						1,350
Total	[5] 67,992,067	22,336,134	[6] 13,409,737	2,187,457	105,925,395	[7] 6,535,511

[1] Includes the District of Columbia.

[2] Collections from and refunds to U.S. taxpayers in Puerto Rico, Canal Zone, etc., and in foreign countries.

[3] Consists of all those issued during the fiscal year minus those received with tax returns which are included in the State totals.

[4] Net transactions in the clearing account on the central books of the Treasury for withheld income taxes from salaries of Federal employees.

[5] Includes $14.9 billion transferred to the Federal old-age and survivors insurance trust fund, the Federal disability insurance trust fund, and the railroad retirement account as provided by the Social Security Act, as amended (42 U.S.C. 401(a)(b)) and the Railroad Retirement Act (45 U.S.C. 228e(k)) for benefit payments within the States.

[6] Includes $3.3 billion gasoline and certain other highway user levies transferred to the highway trust fund for highway construction in the States, in accordance with the Highway Revenue Act of 1956, as amended (23 U.S.C. 120 note).

[7] Inclusive of the reimbursement of $269 million to the general fund from the Federal old-age and survivors insurance trust fund, the Federal disability insurance trust fund, the highway trust fund, and the Federal

Unemployment Tax Act (42 U.S.C. 1101(b)(3)) which is the estimated aggregate of refunds due on taxes collected and transferred.

NOTE.—Receipts in the various States do not indicate the Federal tax burden of each, since in many instances, taxes are collected in one State from residents of another State. For example, withholding taxes reported by employers located near State lines may include substantial amounts withheld from salaries of employees who reside in neighboring States. Likewise, payments of refunds within a State may not be applicable to the collections within that State, since refunds are payable in the State of residence or principal place of business of the taxpayer which may not be the point at which collections are made.

Collections in full detail by tax source and region are shown in the *Annual Report of the Commissioner of Internal Revenue* and in lesser detail in the *Combined Statement of Receipts, Expenditures and Balances of the United States Government.*

TABLE 23.—*Customs collections and payments by districts, fiscal year 1963*

District	Collections				Payments			Cost to collect $100
					Refunds			
	Duties and miscellaneous customs collections	Internal Revenue Service	Collection for others	Total	Excessive duties and similar refunds	Drawback	Expenses (net obligations)	
Alaska	$419,090	$102,149		$521,239	$4,694		$281,732	$54.05
Arizona	7,805,103	7,432		7,812,535	165,688		549,164	7.03
Buffalo	15,777,535	6,540,989	$49	22,318,573	185,624	$36,335	1,803,810	8.08
Chicago	40,244,684	30,778,611	244	71,023,539	603,441	531,194	1,831,795	2.58
Colorado	1,093,095	1,761,322		2,854,417	25,987		107,409	3.76
Connecticut	5,021,226	5,667,703		10,688,929	19,300	71,867	210,023	1.96
Dakota	6,439,149	1,621		6,440,770	227,540	3,653	681,210	10.58
Duluth and Superior	4,572,076	45,003		4,617,079	52,184	6,183	402,860	8.73
El Paso	5,349,532	6,071		5,355,603	45,866	4,541	1,145,227	21.38
Florida	21,382,658	15,296,513		36,679,171	327,470	591,547	2,570,745	7.01
Galveston	22,725,010	10,442,563	2,276	33,169,849	405,201	168,688	1,098,398	3.31
Georgia	6,451,228	1,302,447	433	7,754,108	36,588	47,867	328,826	4.24
Hawaii	5,928,818	1,338,309		7,267,127	73,448	4,166	889,503	12.24
Indiana	1,504,871	5,249,864		6,754,735	17,530	14,292	124,995	1.85
Kentucky	2,697,649	8,445,890		11,143,539	2,425	57,574	86,425	.78
Laredo	14,905,821	35,600	2,599	14,944,020	179,028	98,459	2,523,340	16.89
Los Angeles	85,719,447	28,822,909	379	114,542,735	1,232,243	367,227	3,505,563	3.06
Maine and New Hampshire	3,327,100	18,510		3,345,610	59,077	1,110	1,167,576	34.90
Maryland	32,181,343	13,810,849	385	45,992,577	733,337	187,366	2,365,012	5.14
Massachusetts	65,371,731	17,577,788	516	82,950,035	760,276	217,881	3,190,661	3.85
Michigan	39,242,897	79,573,818	158	118,816,873	534,422	2,684,254	2,282,025	1.92
Minnesota	2,591,287	3,271,226		5,862,513	66,692	10,632	286,013	4.88
Mobile	3,462,988	815,118	68	4,278,174	198,964		282,575	6.61
Montana and Idaho	2,833,970	1,518		2,835,488	6,759	117	352,518	12.43
New Mexico	126,085	192		126,277	37		49,457	39.17
New Orleans	32,782,940	5,950,682	628	38,734,250	441,813	431,340	2,205,531	5.69
New York	561,917,286	130,446,171	1,012	692,364,469	7,649,848	6,926,740	21,962,432	3.17
North Carolina	15,122,981	777,689		15,900,670	30,527	218,974	241,304	1.52
Ohio	11,693,013	6,473,416		18,166,429	206,640	512,364	791,632	4.36
Oregon	10,516,038	1,821,249	267	12,337,554	176,421	12,063	481,658	3.90
Philadelphia	69,023,842	14,191,393	449	83,215,684	697,343	2,817,289	2,155,337	2.59
Pittsburgh	3,241,545	6,782,220		10,023,765	22,199	336,304	165,597	1.65
Rhode Island	3,396,421	1,377,834		4,774,255	33,265	3,282	184,658	3.87
Rochester	3,487,097	2,889,551		6,376,648	13,777	24,380	237,067	3.72
Sabine	601,367	127,714	1,339	730,420	9,260		144,155	19.74
St. Lawrence	11,953,740	21,753,375		33,707,115	270,602	17,474	1,308,747	3.88
St. Louis	9,093,697	6,159,672		15,253,369	106,260	40,118	332,371	2.18
San Diego	5,411,216	123,185	1,036	5,535,437	43,537	188	998,178	18.03
San Francisco	47,236,355	21,603,454	704	68,840,513	968,269	771,936	2,242,372	3.26
South Carolina	16,204,301	582,249		16,786,550	276,740		284,237	1.69
Tennessee	1,255,455	715,075		1,970,530	8,773	10,563	102,114	5.18
Vermont	4,019,228	4,894,476		8,913,704	54,876	7,446	1,314,068	14.74
Virginia	19,966,709	1,375,548	187	21,342,444	139,826	21,209	745,515	3.49
Washington	19,982,689	12,157,435	134	32,140,258	179,165	45,954	2,142,090	6.66
Wisconsin	4,002,710	2,076,645		6,079,355	58,081	518,645	236,355	3.89
Puerto Rico [1]	190,408	186	146	190,740	7			
Items not assigned to districts	25,092			25,092	360		[2] 4,394,146	
Total	1,248,298,523	473,193,234	13,009	1,721,504,766	17,351,410	17,821,222	70,786,426	4.11

[1] Collections of $13,992,718 deposited to the trust fund: Refunds, transfers, and expenses of operations, Puerto Rico, Bureau of Customs, not included.
[2] Washington headquarters and foreign offices.

TABLE 24.—*Summary of customs collections and expenditures, fiscal years 1962 and 1963*

[On basis of Bureau of Customs accounts]

SCHEDULE 1.—COLLECTIONS BY CUSTOMS

Collections	1962	1963	Percentage increase, or decrease (−)
Collections:			
Duties:			
Consumption entries	$961,915,647	$1,024,041,616	6.5
Warehouse withdrawals	164,969,876	171,623,505	4.0
Mail entries	12,303,780	13,259,489	7.8
Passenger baggage entries	2,934,887	2,625,028	−10.6
Crewmember baggage entries	444,517	797,966	79.5
Informal entries	9,338,454	10,155,422	8.7
Appraisement entries	185,555	145,180	−21.8
Supplemental duties	17,710,658	17,185,152	−3.0
Withheld duties	137,050	131,411	−4.1
Other duties	1,265,493	573,116	−14.7
Total duties	1,171,205,917	1,240,537,885	5.9
Miscellaneous: [1]			
Violations of customs laws	1,958,013	1,981,142	1.2
Marine inspection and navigation services	29,050	28,083	−3.3
Testing, inspecting, and grading	495,111	535,195	8.1
Miscellaneous taxes	4,771,977	4,891,714	2.5
Fees	226,953	237,538	4.7
Unclaimed funds	64,677	52,592	−18.7
Recoveries	13,801	9,475	−31.4
All other customs receipts	26,979	37,908	40.5
Total miscellaneous	7,586,561	7,773,647	2.5
Internal Revenue taxes	444,828,245	473,193,234	6.4
Total collections	1,623,620,723	1,721,504,766	6.0

[1] Includes miscellaneous customs collections of Puerto Rico and the Virgin Islands and those of other Government agencies.

SCHEDULE 2.—APPROPRIATIONS AND EXPENDITURES

Appropriations and expenditures	1962	1963	Percentage increase, or decrease (−)
Appropriations:			
For salaries and expenses, Bureau of Customs	$63,325,000	$67,883,000	7.2
Transferred from Department of Commerce for export control	1,237,000	1,382,600	11.8
Transferred from Department of Agriculture for quarantine purposes	1,426,700	1,539,700	7.9
Total	65,988,700	70,805,300	7.3
Expenditures, obligations incurred by:			
Collectors of customs	43,205,880	45,978,707	6.4
Appraisers of merchandise	10,550,078	11,481,110	8.8
Agency Service (investigations)	7,231,494	7,917,980	9.5
Comptrollers of customs	972,424	1,075,290	10.6
Chief chemists	1,306,374	1,392,210	6.6
Executive direction	2,651,278	2,941,129	10.9
Total obligations incurred	65,917,528	70,786,426	7.4
Balance of appropriations	71,172	18,874	−73.5
Expenditures (refunds):			
Excessive duties and similar refunds	14,562,972	17,351,410	19.1
Drawback payments	14,756,430	17,821,222	20.8
Total	29,319,402	35,172,632	20.0

TABLE 25.—*Postal receipts and expenditures, fiscal years 1916–63* [1]

Year	Postal revolving fund as reported to the Treasury by the Post Office Department				Surplus revenue paid into the Treasury [3]	Advances from the Treasury to cover postal deficiencies [4]
	Postal revenues	Postal expenditures [2]		Surplus, or deficit (−)		
		Extraordinary expenditures as reported under act of June 9, 1930	Other			
1916	$312,057,689		$306,228,453	$5,829,236		$5,500,000
1917	329,726,116		319,889,904	9,836,212	$5,200,000	
1918	388,975,962		324,849,188	64,126,774	48,630,701	2,221,095
1919	436,239,126		362,504,274	73,734,852	89,906,000	343,511
1920	437,150,212		[5] 418,722,295	18,427,917	5,213,000	[5] 114,854
1921	463,491,275		[5] 619,634,948	−156,143,673		[5] 130,128,458
1922	484,853,541		[5] 545,662,241	−60,808,700	81,494	[5] 64,346,235
1923	532,827,925		[5] 556,893,120	−24,065,204		[5] 32,526,915
1924	572,948,778		[5] 587,412,755	−14,463,976		[5] 12,638,850
1925	599,591,478		[5] 639,336,505	−39,745,027		[5] 23,216,784
1926	659,819,801		[5] 679,792,180	−19,972,379		[5] 39,506,490
1927	683,121,989		714,628,189	−31,506,201		27,263,191
1928	693,633,921		725,755,017	−32,121,096		32,080,202
1929	696,947,578		782,408,754	−85,461,176		94,699,744
1930	705,484,098	$39,669,718	764,030,368	−98,215,987		91,714,451
1931	656,463,383	48,047,308	754,482,265	−146,066,190		145,643,613
1932	588,171,923	53,304,423	740,418,111	−205,550,611		202,876,341
1933	587,631,364	61,691,287	638,314,969	−112,374,892		117,380,192
1934	586,733,166	66,623,130	564,143,871	−44,033,835		52,003,296
1935	630,795,302	69,537,252	627,066,001	−65,807,951		63,970,405
1936	665,343,356	68,585,283	685,074,398	−88,316,324		86,038,862
1937	726,201,110	51,587,336	721,228,506	−46,614,732		41,896,945
1938	728,634,051	42,799,687	729,645,920	−43,811,556		44,258,861
1939	745,955,075	48,540,273	736,106,665	−38,691,863		41,237,263
1940	766,948,627	53,331,172	754,401,694	−40,784,239		40,870,336
1941	812,827,736	58,837,470	778,108,078	−24,117,812		30,064,048
1942	859,817,491	73,916,128	800,040,400	−14,139,037		18,308,869
1943	966,227,289	122,343,916	830,191,463	13,691,909		14,620,875
1944	1,112,877,174	126,639,650	942,345,968	43,891,556	1,000,000	[6] −28,999,995
1945	1,314,240,132	116,198,782	1,028,902,402	169,138,948	188,102,579	649,769
1946	1,224,572,173	100,246,983	1,253,406,696	−129,081,506		160,572,098
1947	1,299,141,041	92,198,225	1,412,600,531	−205,657,715	12,000,000	241,787,174
1948	1,410,971,284	96,222,339	1,591,583,096	−276,834,152		310,213,451
1949	1,571,851,202	120,118,663	2,029,203,465	−577,470,926		524,297,262
1950	1,677,486,967	119,960,324	2,102,988,758	−545,462,114		592,514,046
1951	1,776,816,354	104,895,553	2,236,503,513	−564,582,711		624,169,406
1952	1,947,316,280	107,209,837	2,559,650,534	−719,544,090		740,000,000
1953	2,091,714,112	103,445,741	2,638,680,670	−650,412,299		660,121,483
1954 [7]	2,263,389,229	[8]	2,575,386,760	−311,997,531		521,999,804
1955 [7]	2,336,667,658	[8]	2,692,966,698	−356,299,040		285,261,181
1956 [7]	2,419,211,749	[8]	2,882,291,063	−463,079,314		382,311,040
1957 [7]	2,547,589,618	[8]	3,065,126,065	−517,536,447		516,502,460
1958 [7]	2,583,459,773	[9]	3,257,452,203	−673,992,431		921,750,883
1959 [7]	3,061,110,753	[9]	3,834,997,671	−773,886,918		605,184,335
1960 [7]	3,334,343,038	[9]	3,821,959,408	−487,616,370		569,229,167
1961 [7]	3,482,961,182	[9]	4,347,945,979	−864,984,797		824,989,797
1962 [7]	3,609,260,097	[9]	4,343,436,402	−734,176,305		773,739,374
1963 [7]	3,869,713,783	[9]	4,640,048,550	−770,334,767		817,693,516

[1] For figures from 1789 through 1915 see annual report for 1946, p. 419.
[2] Includes adjusted losses, etc., postal funds and expenditures from postal balances, but excludes departmental expenditures in Washington, D. C., through 1922, and amounts transferred to the civil service retirement and disability fund, 1921 through 1926. From 1927 to date includes salary deductions paid to and deposited for credit to the retirement fund.
[3] On basis of warrants-issued adjusted to basis of daily Treasury statements through 1947.
[4] Advances to the Postmaster General to meet estimated deficiencies in postal revenues, reduced by repayments from prior year advances. Excludes allowances for offsets of extraordinary expenditures or the cost of free mailings. Figures are on basis of warrants-issued adjusted to basis of daily Treasury statements through 1953, and thereafter on basis of the central accounts of the U. S. Government maintained by the Treasury Department.
[5] Excludes payments from general fund appropriation "Additional Compensation, Postal Service," pursuant to act of November 8, 1919, as follows: 1920, $35,698,400; 1921, $1,374,015; and 1922, $6,700. Also excludes transfers to the civil service retirement and disability fund on account of salary deductions, as follows: 1921, $6,519,683; 1922, $7,899,006; 1923, $8,284,081; 1924, $8,679,658; 1925, $10,266,977; and 1926, $10,472,289 (see note 2).
[6] Repayment of unexpended portion of prior years' advances.
[7] Transactions for 1954 through 1963 are on the basis of cash receipts and expenditures as reported by the Post Office Department. Reports of the Postmaster General are on a modified accrual basis.
[8] See letter of the Postmaster General in exhibits in annual reports prior to 1958.
[9] Under the act of May 27, 1958 (72 Stat. 143), the Postmaster General is no longer required to certify the estimated amounts of postage that would have been collected on certain free or reduced-rate mailings.

Public Debt, Guaranteed Obligations, Etc.

I.—Outstanding

TABLE 26.—*Principal of the public debt, 1790–1963*

[On basis of Public Debt accounts from 1790 through 1915, and on basis of daily Treasury statements from 1916 to date, see "Bases of Tables" and Note]

Date	Total gross debt	Date	Total gross debt	Date	Total gross debt
December 31—		December 31—		December 31—	
1790	$75,463,477	1812	$55,962,828	1833	$4,760,082
1791	77,227,925	1813	81,487,846	1834	37,733
1792	80,358,634	1814	99,833,660	1835	37,513
1793	78,427,405	1815	127,334,934	1836	336,958
1794	80,747,587	1816	123,491,965	1837	3,308,124
1795	83,762,172	1817	103,466,634	1838	10,434,221
1796	82,064,479	1818	95,529,648	1839	3,573,344
1797	79,228,529	1819	91,015,566	1840	5,250,876
1798	78,408,670	1820	89,987,428	1841	13,594,481
1799	82,976,294	1821	93,546,677	1842	20,201,226
1800	83,038,051	1822	90,875,877	June 30—	
1801	80,712,632	1823	90,269,778	1843	32,742,922
1802	77,054,686	1824	83,788,433	1844	23,461,653
1803	86,427,121	1825	81,054,060	1845	15,925,303
1804	82,312,151	1826	73,987,357	1846	15,550,203
1805	75,723,271	1827	67,475,044	1847	38,826,535
1806	69,218,399	1828	58,421,414	1848	47,044,862
1807	65,196,318	1829	48,565,407	1849	63,061,859
1808	57,023,192	1830	39,123,192	1850	63,452,774
1809	53,173,218	1831	24,322,235	1851	68,304,796
1810	48,005,588	1832	7,011,699	1852	66,199,342
1811	45,209,738				

June 30	Interest-bearing [1]	Matured debt on which interest has ceased	Debt bearing no interest	Total gross debt	Gross debt per capita [2]
1853	$59,642,412	$162,249		$59,804,661	$2.32
1854	42,044,517	199,248		42,243,765	1.59
1855	35,418,001	170,498		35,588,499	1.30
1856	31,805,180	168,901		31,974,081	1.13
1857	28,503,377	197,998		28,701,375	.99
1858	44,743,256	170,168		44,913,424	1.50
1859	58,333,156	165,225		58,498,381	1.91
1860	64,683,256	160,575		64,843,831	2.06
1861	90,423,292	159,125		90,582,417	2.80
1862	365,356,045	230,520	$158,591,390	524,177,955	15.79
1863	707,834,255	171,970	411,767,456	1,119,773,681	32.91
1864	1,360,026,914	366,629	455,437,271	1,815,830,814	52.08
1865	2,217,709,407	2,129,425	458,090,180	2,677,929,012	75.01
1866	2,322,116,330	4,435,865	429,211,734	2,755,763,929	75.42
1867	2,238,954,794	1,739,108	409,474,321	2,650,168,223	70.91
1868	2,191,326,130	1,246,334	390,873,992	2,583,446,456	67.61
1869	2,151,495,065	5,112,034	388,503,491	2,545,110,590	65.17
1870	2,035,881,095	3,569,664	397,002,510	2,436,453,269	61.06
1871	1,920,696,750	1,948,902	399,406,489	2,322,052,141	56.72
1872	1,800,794,100	7,926,547	401,270,191	2,209,990,838	52.65
1873	1,696,483,950	51,929,460	402,796,935	2,151,210,345	50.02
1874	1,724,930,750	3,216,340	431,785,640	2,159,932,730	49.05
1875	1,708,676,300	11,425,570	436,174,779	2,156,276,649	47.84
1876	1,696,685,450	3,902,170	430,258,158	2,130,845,778	46.22
1877	1,697,888,500	16,648,610	393,222,793	2,107,759,903	44.71
1878	1,780,735,650	5,594,070	373,088,595	2,159,418,315	44.82
1879	1,887,716,110	37,015,380	374,181,153	2,298,912,643	46.72
1880	1,709,993,100	7,621,205	373,294,567	2,090,908,872	41.60
1881	1,625,567,750	6,723,615	386,994,363	2,019,285,728	39.18
1882	1,449,810,400	16,260,555	390,844,689	1,856,915,644	35.16
1883	1,324,229,150	7,831,165	389,898,603	1,721,958,918	31.83
1884	1,212,563,850	19,655,955	393,087,639	1,625,307,444	29.35
1885	1,182,150,950	4,100,745	392,299,474	1,578,551,169	27.86
1886	1,132,014,100	9,704,195	413,941,255	1,555,659,550	26.85
1887	1,007,692,350	6,114,915	451,678,029	1,465,485,294	24.75
1888	936,522,500	2,495,845	445,613,311	1,384,631,656	22.89
1889	815,853,990	1,911,235	431,705,286	1,249,470,511	20.23
1890	711,313,110	1,815,555	409,267,919	1,122,396,584	17.80
1891	610,529,120	1,614,705	393,662,736	1,005,806,561	15.63
1892	585,029,330	2,785,875	380,403,636	968,218,841	14.74
1893	585,037,100	2,094,060	374,300,606	961,431,766	14.36
1894	635,041,890	1,851,240	380,004,687	1,016,897,817	14.89
1895	716,202,060	1,721,590	378,989,470	1,096,913,120	15.76
1896	847,363,890	1,636,890	373,728,570	1,222,729,350	17.25
1897	847,365,130	1,346,880	378,081,703	1,226,793,713	16.99
1898	847,367,470	1,262,680	384,112,913	1,232,743,063	16.77
1899	1,046,048,750	1,218,300	389,433,654	1,436,700,704	19.21
1900	1,023,478,860	1,176,320	238,761,733	1,263,416,913	16.60

Footnotes at end of table.

TABLE 26.—*Principal of the public debt, 1790–1963*—Continued

June 30	Interest-bearing [1]	Matured debt on which interest has ceased	Debt bearing no interest	Total gross debt [3]	Gross debt per capita [2]
1901	$987,141,040	$1,415,620	$233,015,585	$1,221,572,245	$15.74
1902	931,070,340	1,280,860	245,680,157	1,178,031,357	14.88
1903	914,541,410	1,205,090	243,659,413	1,159,405,913	14.38
1904	895,157,440	1,970,920	239,130,656	1,136,259,016	13.83
1905	895,158,340	1,370,245	235,828,510	1,132,357,095	13.51
1906	895,159,140	1,128,135	246,235,695	1,142,522,970	13.37
1907	894,834,280	1,086,815	251,257,098	1,147,178,193	13.19
1908	897,503,990	4,130,015	276,056,398	1,177,690,403	13.28
1909	913,317,490	2,883,855	232,114,027	1,148,315,372	12.69
1910	913,317,490	2,124,895	231,497,584	1,146,939,969	12.41
1911	915,353,190	1,879,830	236,751,917	1,153,984,937	12.29
1912	963,776,770	1,760,450	228,301,285	1,193,838,505	12.52
1913	965,706,610	1,659,550	225,681,585	1,193,047,745	12.27
1914	967,953,310	1,552,560	218,729,530	1,188,235,400	11.99
1915	969,759,090	1,507,260	219,997,718	1,191,264,068	11.85
1916	971,562,590	1,473,100	252,109,877	1,225,145,568	12.02
1917	2,712,549,477	14,232,230	248,836,878	2,975,618,585	28.77
1918	12,197,507,642	20,242,550	237,475,173	12,455,225,365	119.13
1919	25,236,947,172	11,176,250	236,382,738	25,484,506,160	242.56
1920	24,062,500,285	6,745,237	230,075,945	24,299,321,467	228.23
1921	23,738,900,085	10,688,160	227,862,308	23,977,450,553	220.91
1922	22,710,338,105	25,250,880	227,792,723	22,963,381,708	208.65
1923	22,007,043,612	98,738,910	243,924,844	22,349,707,365	199.64
1924	20,981,242,042	30,278,200	239,292,747	21,250,812,989	186.23
1925	20,210,906,915	30,258,980	275,027,993	20,516,193,888	177.12
1926	19,383,770,860	13,359,900	246,085,555	19,643,216,315	167.32
1927	18,252,664,666	14,718,585	244,523,681	18,511,906,932	155.51
1928	17,317,694,182	45,335,060	241,263,959	17,604,293,201	146.09
1929	16,638,941,379	50,749,199	241,397,905	16,931,088,484	139.04
1930	15,921,892,350	31,716,870	231,700,611	16,185,309,831	131.51
1931	16,519,588,640	51,819,095	229,873,756	16,801,281,492	135.45
1932	19,161,273,540	60,079,385	265,649,519	19,487,002,444	156.10
1933	22,157,643,120	65,911,170	315,118,270	22,538,672,560	179.48
1934	26,480,487,870	54,266,830	518,386,714	27,053,141,414	214.07
1935	27,645,241,089	230,662,155	824,989,381	28,700,892,625	225.55
1936	32,988,790,135	169,363,395	620,389,964	33,778,543,494	263.79
1937	35,800,109,418	118,529,815	505,974,499	36,424,613,732	282.75
1938	36,575,925,880	141,362,460	447,451,975	37,164,740,315	286.27
1939	39,885,969,732	142,283,140	411,279,539	40,439,532,411	308.98
1940	42,376,495,928	204,591,190	386,443,919	42,967,531,038	325.23
1941	48,387,399,539	204,999,860	369,044,137	48,961,443,536	367.09
1942	71,968,418,098	98,299,730	355,727,288	72,422,445,116	537.13
1943	135,380,305,795	140,500,090	1,175,284,445	136,696,090,330	999.83
1944	199,543,355,301	200,851,160	1,259,180,760	201,003,387,221	1,452.44
1945	256,356,615,818	268,667,135	2,056,904,457	258,682,187,410	1,848.60
1946	268,110,872,218	376,406,860	934,820,095	269,422,099,173	1,905.42
1947	255,113,412,039	230,913,536	2,942,057,534	258,286,383,109	1,792.05
1948	250,063,348,379	279,751,730	1,949,146,403	252,292,246,513	1,720.71
1949	250,761,636,723	244,757,458	1,763,965,680	252,770,359,860	1,694.75
1950	255,209,353,372	264,770,705	1,883,228,274	257,357,352,351	1,696.61
1951	252,851,765,497	512,046,600	1,858,164,718	255,221,976,815	1,654.25
1952	256,862,861,128	418,692,165	1,823,625,492	259,105,178,785	1,650.91
1953	263,946,017,740	298,420,570	1,826,623,328	266,071,061,639	1,667.54
1954	268,909,766,654	437,184,655	1,912,647,799	271,259,599,108	1,670.44
1955	271,741,267,507	588,601,480	2,044,353,816	274,374,222,803	1,660.10
1956	269,883,068,041	666,051,697	2,201,693,911	272,750,813,640	1,621.35
1957	268,485,562,677	529,241,585	1,512,367,635	270,527,171,896	1,579.46
1958	274,697,560,009	597,324,889	1,048,332,847	276,343,217,746	1,586.78
1959	281,833,362,429	476,455,003	2,396,089,647	284,705,907,078	1,606.10
1960	283,241,182,755	444,608,630	2,644,969,463	286,330,760,848	1,584.77
1961	285,671,608,619	349,355,209	2,949,974,782	288,970,938,610	1,572.70
1962	294,442,000,790	437,627,514	3,321,194,417	298,200,822,721	1,598.15
1963	301,953,730,701	310,415,540	3,595,486,755	305,859,632,996	p 1,615.93

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[1] Exclusive of bonds issued to the Pacific railroads (acts of 1862, 1864, and 1878), since statutory provision was made to secure the Treasury against both principal and interest, and the Navy pension fund, which was not a debt as principal and interest were the property of the United States. The Statement of the Public Debt included the railroad bonds from issuance and the Navy fund from September 1, 1866, through June 30, 1890.

[2] See table 27, footnote 3.

[3] Includes certain obligations not subject to statutory limitation; see table 1, notes 6 and 7. Public debt includes debt incurred to finance expenditures of certain wholly owned Government corporations and other business-type activities in exchange for which obligation of the corporations and activities were issued to the Treasury (see table 111).

NOTE.—From 1789–1842, the fiscal year ended December 31; from 1843, on June 30. Detailed figures for 1790–1852 are not available on a basis comparable with those of later years. The amounts for 1790–1852, except for 1835, are from the 1900 annual report of the Secretary of the Treasury; for 1835, from the 1834–35 annual reports, pp. 504 and 629; for 1853–85, from the "Statement of Receipts and Expenditures of the Government from 1855 to 1885 and Principal of Public Debt from 1791 to 1885" compiled from the Register's official records; from 1886–1915, from the monthly debt statements and revised figures in annual reports; and since 1916, from the "Statement of the Public Debt" in the daily Treasury statements, end-of-the-month issues.

TABLE 27.—*Public debt and guaranteed obligations outstanding June 30, 1934–63*

[Gross public debt on basis of daily Treasury statements. Guaranteed obligations from 1934 through 1939 on basis of Public Debt accounts, and for 1940 and subsequent years on basis of daily Treasury statements]

June 30	Gross public debt [1]	Guaranteed obligations held outside the Treasury			Gross public debt and guaranteed obligations [1]	
		Interest-bearing	Matured [2]	Total	Total	Per capita [3]
1934	$27,053,141,414	$680,767,817		$680,767,817	$27,733,909,231	$219.46
1935	28,700,892,625	4,122,684,692		4,122,684,692	32,823,577,316	257.95
1936	33,778,543,494	4,718,033,242		4,718,033,242	38,496,576,735	300.63
1937	36,424,613,732	4,664,594,533	$10,000	4,664,604,533	41,089,218,265	318.95
1938	37,164,740,315	4,852,559,151	232,500	4,852,791,651	42,017,531,967	323.65
1939	40,439,532,411	5,450,012,899	821,200	5,450,834,099	45,890,366,510	350.63
1940	42,967,531,038	5,497,556,555	31,514,100	5,529,070,655	48,496,601,693	367.08
1941	48,961,443,536	6,359,619,105	10,633,475	6,370,252,580	55,331,696,116	414.85
1942	72,422,445,116	4,548,529,255	19,730,375	4,568,259,630	76,990,704,746	571.02
1943	136,696,090,330	4,091,686,621	8,256,425	4,099,943,046	140,796,033,376	1,029.82
1944	201,003,387,221	1,515,638,626	107,430,675	1,623,069,301	202,626,456,522	1,464.17
1945	258,682,187,410	409,091,867	24,066,525	433,158,392	259,115,345,802	1,851.70
1946	269,422,099,173	466,671,984	9,712,875	476,384,859	269,898,484,033	1,908.79
1947	258,286,383,109	83,212,285	6,307,900	89,520,185	258,375,903,294	1,792.67
1948	252,292,246,513	68,768,043	4,692,775	73,460,818	252,365,707,331	1,721.21
1949	252,770,359,860	23,862,383	3,413,025	27,275,408	252,797,635,268	1,694.93
1950	257,357,352,351	17,077,809	2,425,225	19,503,034	257,376,855,385	1,696.74
1951	255,221,976,815	27,364,069	1,863,100	29,227,169	255,251,203,984	1,654.44
1952	259,105,178,785	44,092,646	1,472,700	45,565,346	259,150,744,131	1,651.20
1953	266,071,061,639	50,881,686	1,191,075	52,072,761	266,123,134,400	1,667.87
1954	271,259,599,108	80,415,386	1,026,000	81,441,386	271,341,040,495	1,670.94
1955	274,374,222,803	43,257,786	885,175	44,142,961	274,418,365,764	1,660.36
1956	272,750,813,649	73,100,900	787,575	73,888,475	272,824,702,124	1,621.78
1957	270,527,171,896	106,434,150	703,800	107,137,950	270,634,309,846	1,580.83
1958	276,343,217,746	100,565,250	655,350	101,220,600	276,444,438,346	1,587.36
1959	284,705,907,078	110,429,100	590,050	111,019,150	284,816,926,228	1,606.73
1960	286,330,760,848	139,305,000	536,775	139,841,775	286,470,602,623	1,585.55
1961	288,970,938,610	239,694,000	521,450	240,215,450	289,211,154,060	1,574.01
1962	298,200,822,721	443,688,500	530,425	444,218,925	298,645,041,646	1,600.53
1963	305,859,632,996	605,489,600	1,120,775	606,610,375	306,466,243,371	p 1,619.13

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[1] Includes certain obligations not subject to statutory limitation. For amounts subject to limitation, see table 1. Public debt includes debt incurred to finance expenditures of certain wholly owned Government corporations and other business-type activities in exchange for which obligations of the corporations and activities were issued to the Treasury (see table 111).

[2] Amounts shown represent outstanding principal on which interest has ceased. The amount of accrued interest as of June 30, 1963, was $132,723, funds for which are on deposit with the Treasurer of the United States.

[3] Based on the Bureau of the Census estimated population. Through 1958 the estimated population is for the conterminous United States (that is, exclusive of Alaska, Hawaii, and the outlying areas, such as Puerto Rico, Guam, and the Virgin Islands). Beginning with 1959 the estimates include Alaska, and with 1960, Hawaii.

Table 28.—*Public debt outstanding by security classes, June 30, 1953–63*

[In millions of dollars. On basis of daily Treasury statements, see "Bases of Tables"]

Class	1953	1954	1955	1956	1957	1958	1959	1960	1961	1962	1963
Interest-bearing:											
Public issues:											
Marketable issues:											
Treasury bills:											
Regular weekly	18,906	19,515	19,514	20,808	21,919	22,406	25,006	25,903	26,914	32,225	37,729
Tax anticipation	800				1,501		3,002		1,503	1,802	
Other							4,009	7,512	8,307	8,009	9,501
Certificates of indebtedness (regular)	15,854	18,405	13,836	16,303	20,473	32,920	33,843	17,650	13,338	13,547	22,169
Treasury notes	30,425	31,960	40,729	35,952	30,973	20,416	27,314	51,483	56,257	65,464	52,145
Treasury bonds:											
Bank eligible	63,980	71,706	81,057	81,840	80,789	90,883	84,803	81,247	80,830	75,025	81,964
Bank restricted [1]	17,245	8,672									
Panama Canal bonds	50	50	50	50	50	50	50	50			
Postal savings bonds	74	46	21								
Total marketable issues	147,335	150,354	155,206	154,953	155,705	166,675	178,027	183,845	187,148	196,072	203,508
Nonmarketable issues:											
Depositary bonds	447	411	417	310	196	171	183	170	117	138	103
Foreign currency series:											
Certificates of indebtedness										[2] 75	[3] 25
Treasury bonds											[4] 604
Foreign series:											
Certificates of indebtedness										860	465
Treasury notes											183
Treasury bonds, investment series	13,288	12,775	12,589	12,009	11,135	9,621	8,365	6,785	5,830	4,727	3,921
Treasury bonds, R.E.A. series									19	25	27
Treasury certificates											2
Treasury notes, tax and savings	4,453	5,079	1,913								
U.S. retirement plan bonds											(*)
U.S. savings bonds	57,886	58,061	58,365	57,497	54,622	51,984	50,503	47,544	47,514	47,607	48,314
Total nonmarketable issues	76,073	76,326	73,285	69,817	65,953	61,777	59,050	54,497	53,481	53,431	53,645
Total public issues	223,408	226,681	228,491	224,769	221,658	228,452	237,078	238,342	240,629	249,503	257,153
Special issues:											
Adjusted service certificate fund certificates	5	5	5	5							
Canal Zone Postal Savings System notes	1	1	1	1	(*)		(*)				
Civil service retirement fund:											
Certificates	846	2,268	4,055	6,051	5,707	4,249	298	186	170	210	80
Notes	4,739	3,571	2,097	596	740	1,540	2,072	1,892	1,608	1,236	1,056
Bonds					925	1,925	6,212	7,289	8,604	9,899	11,263
Exchange Stabilization Fund certificates											108
Farm tenant mortgage insurance fund notes	1	1	1								
Federal Deposit Insurance Corporation notes	846	892	835	673	718	673	629	694	556	500	260
Federal disability insurance trust fund:											
Certificates					258	658	89	56	34	1	6
Notes					30	150	394	487	464	336	84
Bonds					38	188	1,050	1,474	1,801	1,967	2,076

Footnotes at end of table.

TABLE 28.—*Public debt outstanding by security classes, June 30, 1953–63*—Continued

[In millions of dollars]

Class	1953	1954	1955	1956	1957	1958	1959	1960	1961	1962	1963
Interest-bearing—Continued											
Special issues—Continued											
Federal home loan banks:											
Certificates				2	10			59	50	74	372
Notes	50	232	200	50	40	165	165				
Federal Housing Administration notes:											
Apartment unit insurance fund										1	1
Armed services housing mortgage insurance fund				2	3	1	(*)	(*)	26	10	14
Experimental housing insurance fund										1	1
Housing insurance fund	2	(*)		1	2	1	4	4	4	4	1
Housing investment insurance fund	(*)					(*)	(*)	(*)	(*)	(*)	(*)
Military housing insurance fund	2		2								
Mutual mortgage insurance fund	16	10	16	26	26	18	15	15	15	15	10
National defense housing insurance fund	2	5	2	2	2	4	1	1	(*)	(*)	(*)
Section 203 home improvement account										1	1
Section 220 home improvement account										1	1
Section 220 housing insurance fund			1	1	1	1	1	1	1	1	2
Section 221 housing insurance fund			1	1	1	1	1	1			
Servicemen's mortgage insurance fund			1	1	2	3	2	1	2	2	2
Title I housing insurance fund			1	1	1	1	1	1	1	1	1
Title I insurance fund			38	43	43	34	29	23	23	23	14
War housing insurance fund	4		3	8	8	7	6	6	15	10	8
Federal old-age and survivors insurance trust fund:											
Certificates	15,532	17,054	18,239	19,467	14,963	9,925	400	270	441	1,080	
Notes					2,000	3,860	4,032	2,428	1,387	257	
Bonds					2,500	4,825	12,795	13,715	14,372	13,737	14,221
Federal Savings and Loan Insurance Corporation notes	61	84	94	103	103	112	116	104	138	182	98
Foreign service retirement fund:											
Certificates	3	9	10	16	22	24	26	29	32	37	38
Notes	13	6	6	4							
Government life insurance fund:											
Certificates	1,299	1,234	1,233	1,217	1,200	1,144	1,127	1		7	
Notes								295	222	142	74
Bonds								811	849	879	929
Highway trust fund certificates					404	822	429	1	234	436	678
National service life insurance fund:											
Certificates								8		1	
Notes	5,249	5,272	5,346	5,481	5,570	5,665	5,742	1,547	1,168	782	395
Bonds								4,248	4,591	5,021	5,319
Postal Savings System notes	451	212	90	5	5					26	
Railroad retirement account notes	3,128	3,345	3,486	3,600	3,475	3,531	3,417	3,586	3,504	3,316	2,786
Unemployment trust fund certificates	8,287	8,024	7,479	7,737	7,996	6,671	5,636	5,580	4,625	4,657	4,803
Veterans' special term insurance fund certificates	(*)	3	10	20	34	48	66	85	106	88	101
Total special issues	40,538	42,229	43,250	45,114	46,827	46,246	44,756	44,899	45,043	44,939	44,801
Total interest-bearing debt	263,946	268,910	271,741	269,883	268,486	274,698	281,833	283,241	285,672	294,442	301,954
Matured debt on which interest has ceased	298	437	589	666	529	597	476	445	349	438	310

Debt bearing no interest:											
Special notes of the United States:											
International Monetary Fund series	1,302	1,411	1,567	1,742	1,068	618	1,979	2,238	2,496	2,667	2,922
International Development Association series	----------	----------	----------	----------	----------	----------	----------	----------	58	115	129
Inter-American Development Bank series	----------	----------	----------	----------	----------	----------	----------	----------	----------	55	125
U.S. savings stamps [5]	50	50	48	49	51	51	50	53	52	53	54
Excess profits tax refund bonds	1	1	1	1	1	1	1	1	1	1	1
U.S. notes (less gold reserve)	191	191	191	191	191	191	191	191	191	191	191
Deposits for retirement of national bank and Federal Reserve Bank notes	277	254	232	213	196	182	169	157	147	139	116
Other debt bearing no interest	6	6	6	6	6	6	6	6	6	[6] 101	59
Total debt bearing no interest	1,827	1,913	2,044	2,202	1,512	1,048	2,396	2,645	2,950	3,321	3,595
Total gross debt [7]	266,071	271,260	274,374	272,751	270,527	276,343	284,706	286,331	288,971	298,201	305,860

*Less than $500,000.

[1] See 1946 annual report, pp. 42, 43, and 654, and 1955 annual report, p. 515, footnote 5.

[2] Dollar equivalent of certificates issued and payable in the amount of 46,500,000,000 Italian lire.

[3] Dollar equivalent of certificates issued and payable in the amount of 110,000,000 Swiss francs.

[4] Dollar equivalent of Treasury bonds issued and payable in the amount of 124,050,000,000 Italian lire, 647,000,000 Swiss francs, 800,000,000 Deutsche Mark, 650,000,000 Austrian schillings, and 1,500,000,000 Belgian francs.

[5] On October 1, 1942, they replaced postal savings stamps which had been Postal Savings System's obligations.

[6] Includes $95,655,198 of old series currency which by authority of the Old Series Currency Adjustment Act, approved June 30, 1961 (31 U.S.C. 912-916), was transferred to public debt bearing no interest. See table 59, footnote 7.

[7] Includes certain obligations not subject to statutory limitation; for amounts subject to limitation, see table 1. Includes public debt incurred to finance expenditures of certain wholly owned Government corporations and other business-type activities in exchange for which obligations of the corporations and activities were issued to the Treasury; see table 111.

NOTE.—For comparable data 1931–43, see 1943 annual report, p. 564, and for 1944–52, see 1954 annual report, p. 472. Composition of the public debt 1916–45, is shown in the 1947 annual report, p. 361. For reconciliation with Public Debt accounts for 1963, see table 32.

TABLE 29.—*Guaranteed obligations issued by Government corporations and other business-type activities and held outside the Treasury, June 30, 1953–63*

[Face amount, in thousands of dollars. On basis of daily Treasury statements, see "Bases of Tables"]

Issuing agency	1953	1954	1955	1956	1957	1958	1959	1960	1961	1962	1963
UNMATURED OBLIGATIONS											
District of Columbia Armory Board stadium bonds							(1)	476	19,800	19,800	19,800
Federal Housing Administration debentures:											
Mutual mortgage insurance fund	8,127	8,501	9,021	8,471	10,638	9,987	8,699	11,411	25,389	194,716	328,062
Armed services housing mortgage insurance fund			725	9,695	10,209	8,324	10,466	19,368	62,420	47,277	16,001
Housing insurance fund	1,632	1,742	2,317	5,838	10,135	8,987	9,970	9,232	23,406	35,299	63,445
National defense housing insurance fund			1,462	16,108	40,738	47,734	[2] 59,446	71,737	75,393	92,551	98,124
Section 203 home improvement account											2
Section 220 housing insurance fund								10		66	9,360
Section 221 housing insurance fund						8	8	217	4,780	23,353	36,558
Servicemen's mortgage insurance fund					12	78	38	680	1,673	12,609	22,746
Title I housing insurance fund	23	31	35	224	482	377	213	411	186	633	523
War housing insurance fund	41,100	70,141	29,697	32,765	34,220	25,070	21,591	25,762	26,647	17,385	10,869
Total unmatured obligations	50,882	80,415	43,258	73,101	106,434	100,565	[2] 110,429	139,305	239,694	443,688	605,490
MATURED OBLIGATIONS [3]											
Federal Farm Mortgage Corporation	434	383	333	295	265	240	214	193	174	170	161
Federal Housing Administration								12	25	57	669
Home Owners' Loan Corporation	757	643	552	493	438	415	376	331	323	303	291
Total matured obligations [4]	1,191	1,026	885	788	704	655	590	537	521	530	1,121
Total obligations [4]	52,073	81,441	44,143	73,888	107,138	101,221	[2] 111,019	139,842	240,215	444,219	606,610

[1] Excludes guaranteed obligations of the District of Columbia Armory Board in the amount of $96 thousand not reported in the daily Treasury statement of June 30, 1959.
[2] Includes $179 thousand face amount redeemed as of June 30, 1959, but omitted from transactions cleared on that date.
[3] Funds are on deposit with the Treasurer of the United States for payment of these securities.
[4] Consists of principal only.

NOTE.—For figures for 1946–52, see 1958 annual report, p. 474. For obligations held by the Treasury, see table 111.

TABLE 30.—*Interest-bearing securities outstanding issued by Federal agencies but not guaranteed by the United States Government, fiscal years 1953–63*

[In millions of dollars]

Fiscal year or month	Banks for cooperatives	Federal home loan banks [1]	Federal intermediate credit banks	Federal land banks [2]	Federal National Mortgage Association: Management and liquidation program	Federal National Mortgage Association: Secondary market program	Tennessee Valley Authority	Total
1953	110	251	781	861				2,003
1954	120	115	725	1,007				1,967
1955	110	341	793	1,061	570			2,876
1956	133	929	834	1,322	570	100		3,889
1957	179	738	924	1,552	570	1,050		5,013
1958	199	456	1,159	1,646	797	1,165		5,423
1959	284	992	1,456	1,888	797	1,290		6,708
1960	330	1,259	1,600	2,137	797	2,284		8,407
1961	382	1,055	1,723	2,357		2,198	50	7,765
1962	430	1,797	1,855	2,550		2,556	145	9,332
1963	459	2,770	2,133	2,725		1,960	145	10,192
1962—July	430	2,108	1,926	2,550		2,435	145	9,593
August	482	2,233	1,950	2,596		2,458	145	9,865
September	474	2,257	1,930	2,596		2,481	145	9,883
October	480	2,707	1,842	2,628		2,492	145	10,293
November	480	2,707	1,774	2,628		2,479	145	10,213
December	504	2,707	1,727	2,628		2,422	145	10,133
1963—January	504	2,424	1,729	2,628		2,370	145	9,800
February	480	2,164	1,787	2,661		2,343	145	9,578
March	480	2,014	1,842	2,661		2,126	145	9,267
April	490	1,912	1,935	2,661		2,043	145	9,185
May	489	2,035	2,037	2,725		1,984	145	9,415
June	459	2,770	2,133	2,725		1,960	145	10,192

[1] The proprietary interest of the United States in these banks ended in July 1951.
[2] The proprietary interest of the United States in these banks ended in June 1947. Excludes securities which are issued for use as collateral for commercial bank borrowing and not as a part of public offerings. Includes small amounts owned by Federal land banks.

NOTE.—The securities shown in the table are public offerings.

TABLE 31.—*Maturity distribution of marketable interest-bearing public debt*[1] *June 30, 1946–63*

[In millions of dollars. On basis of daily Treasury statements]

Fiscal year	Within 1 year	1 to 5 years	5 to 10 years	10 to 15 years	15 to 20 years	20 years and over	Total
	By call classes (due or first becoming callable)						
1946	62,091	35,057	32,847	16,012	21,227	22,372	189,606
1947	52,442	42,522	18,932	13,326	27,076	14,405	168,702
1948	49,870	46,124	10,464	12,407	41,481		160,346
1949	52,302	39,175	15,067	13,715	34,888		155,147
1950	42,448	51,802	15,926	19,281	25,853		155,310
1951	60,860	31,022	16,012	21,226	8,797		137,917
1952	70,944	29,434	13,321	20,114	6,594		140,407
1953	76,017	30,162	13,018	26,546		1,592	147,335
1954	63,291	38,407	27,113	19,937		1,606	150,354
1955	51,152	46,399	42,755	11,371		3,530	155,206
1956	64,910	36,942	40,363	8,387		4,351	154,953
1957	76,697	41,497	26,673	6,488		4,349	155,705
1958	73,050	39,401	45,705	657	2,258	5,604	166,675
1959	81,678	58,256	28,075	1,276	2,256	6,485	178,027
1960	79,182	81,295	14,173	1,123	2,484	5,588	183,845
1961	84,855	70,760	r 18,391	1,123	3,125	8,893	187,148
1962	89,905	67,759	r 18,655	1,641	4,956	13,157	196,072
1963	91,202	68,980	20,522	4,304	4,525	13,975	203,508
	By maturity classes [2]						
1946	61,974	24,763	41,807	8,707	8,754	43,599	189,606
1947	51,211	21,851	35,562	13,009	5,588	41,481	168,702
1948	48,742	21,630	32,264	14,111	2,118	41,481	160,346
1949	48,130	32,562	16,746	14,111	8,710	34,888	155,147
1950	42,338	51,292	7,792	10,289	17,746	25,853	155,310
1951	43,908	46,526	8,707	8,754	21,226	8,797	137,917
1952	46,367	47,814	13,933	5,586	20,114	6,594	140,407
1953	65,270	36,161	15,651	2,117	26,546	1,592	147,335
1954	62,734	29,866	27,515	8,696	19,937	1,606	150,354
1955	49,703	39,107	34,253	17,242	11,371	3,530	155,206
1956	58,714	34,401	28,908	20,192	8,387	4,351	154,953
1957	71,952	40,669	12,328	19,919	6,488	4,349	155,705
1958	67,782	42,557	21,476	26,999	654	7,208	166,675
1959	72,958	58,304	17,052	20,971	654	8,088	178,027
1960	70,467	72,844	20,246	11,746	884	7,658	183,845
1961	81,120	58,400	26,435	8,706	r 1,527	10,960	187,148
1962	88,442	57,041	26,049	5,957	r 3,362	15,221	196,072
1963	85,294	58,026	37,385	2,244	6,115	14,444	203,508

r Revised.

[1] Includes public debt incurred to finance expenditures of certain wholly owned Government corporations and other business-type activities in exchange for which obligations of the corporations and activities were issued to the Treasury.

[2] All issues classified to final maturity except partially tax-exempt bonds which are classified to earliest call date.

TABLE 32.—*Summary of public debt and guaranteed obligations by security classes, June 30, 1963*

Class of security	Computed rate of interest [1]	Amount outstanding on basis of Public Debt accounts	Net adjustment to basis of daily Treasury statement [2]	Amount outstanding on basis of daily Treasury statement
PUBLIC DEBT				
INTEREST-BEARING DEBT				
Public issues:				
Marketable obligations:	*Percent*			
Treasury bills:				
Regular weekly	[3] 3.049	$37,729,259,000		$37,729,259,000
Other	[3] 3.211	9,500,608,000		9,500,608,000
Certificates of indebtedness (regular)	3.283	22,169,068,000		22,169,068,000
Treasury notes	3.921	52,145,069,000	−$39,000	52,145,030,000
Treasury bonds	3.344	81,962,969,350	896,000	81,963,865,350
Subtotal	3.425	203,506,973,350	857,000	203,507,830,350

Footnotes at end of table.

TABLE 32.—*Summary of public debt and guaranteed obligations by security classes, June 30, 1963*—Continued

Class of security	Computed rate of interest [1]	Amount outstanding on basis of Public Debt accounts	Net adjustment to basis of daily Treasury statement [2]	Amount outstanding on basis of daily Treasury statement
PUBLIC DEBT—Continued				
INTEREST-BEARING DEBT—Continued				
Public issues—Continued				
Nonmarketable obligations:	*Percent*			
Depositary bonds	2.000	$103,110,500	$4,000	$103,114,500
Foreign currency series:				
Certificates of indebtedness	2.000	25,456,750		25,456,750
Treasury bonds	3.065	604,401,081		604,401,081
Foreign series:				
Certificates of indebtedness	2.932	465,000,000		465,000,000
Treasury notes	3.108	183,000,000		183,000,000
Treasury bonds, investment series	2.722	3,920,981,000	39,000	3,921,020,000
Treasury bonds, R.E.A. series	2.000	26,612,000		26,612,000
Treasury certificates	1.000	2,500,000		2,500,000
U.S. retirement plan bonds	3.750	191,600	−6,250	185,350
U.S. savings bonds	3.482	48,317,132,352	−3,422,657	48,313,709,695
Subtotal	3.412	53,648,385,283	−3,385,907	53,644,999,376
Total public issues	3.423	257,155,358,633	−2,528,907	257,152,829,726
Special issues:				
Civil service retirement fund	3.021	12,399,666,000		12,399,666,000
Exchange Stabilization Fund	2.750	108,146,975		108,146,975
Federal Deposit Insurance Corp.	2.000	260,443,000		260,443,000
Federal disability insurance trust fund	2.992	2,165,467,000		2,165,467,000
Federal home loan banks	2.341	372,000,000		372,000,000
Federal Housing Administration funds	2.000	54,088,000		54,088,000
Federal old-age and survivors insurance trust fund	2.852	14,221,151,000		14,221,151,000
Federal Savings and Loan Insurance Corp.	2.000	98,094,000		98,094,000
Foreign service retirement fund	3.956	37,891,000		37,891,000
Government life insurance fund	3.520	1,003,002,000		1,003,002,000
Highway trust fund	3.375	677,743,000		677,743,000
National service life insurance fund	3.108	5,713,915,000		5,713,915,000
Railroad retirement account	3.000	2,786,086,000		2,786,086,000
Unemployment trust fund	3.250	4,802,620,000		4,802,620,000
Veterans' special term insurance fund	3.375	100,588,000		100,588,000
Subtotal	3.003	44,800,900,975		44,800,900,975
Total interest-bearing debt	3.360	301,956,259,608	−2,528,907	301,953,730,701
Matured debt on which interest has ceased		276,669,565	33,745,975	310,415,540
DEBT BEARING NO INTEREST				
International Monetary Fund		2,922,000,000		2,922,000,000
International Development Association		128,956,600		128,956,600
Inter-American Development Bank		125,000,000		125,000,000
Other		419,204,932	325,223	419,530,155
Total gross public debt		305,828,090,705	31,542,291	305,859,632,996
GUARANTEED OBLIGATIONS NOT OWNED BY THE TREASURY				
Interest-bearing debt:				
Federal Housing Administration	3.640	585,689,600		[4] 585,689,600
D.C. Armory Board bonds	4.200	19,800,000		19,800,000
Matured debt on which interest has ceased		1,120,775		1,120,775
Subtotal		606,610,375		606,610,375
Total gross public debt and guaranteed obligations		306,434,701,080	31,542,291	306,466,243,371
Deduct debt not subject to statutory limitation		367,743,315	−12	367,743,327
Total debt subject to limitation		306,066,957,765	31,542,279	306,098,500,044

[1] On daily Treasury statement basis.
[2] Items in transit on June 30, 1963.
[3] Included in debt outstanding at face amount, but the annual interest rate is computed on the discount value.
[4] Components shown in table 34.

TABLE 33.—*Description of public debt issues outstanding June 30, 1963*

[On basis of Public Debt accounts, see "Bases of Tables"]

Security and rate of interest	Date of security	When redeemable or payable [1]	Interest payment date	Average price received (per $100)	Amount issued	Amount retired	Amount outstanding [2]
INTEREST-BEARING DEBT [5]							
Public Issues							
Marketable:							
Treasury bills: Series maturing and approximate yield to maturity (%): [3] [6]							
Regular weekly:							
July 5, 1963 2.966	Jan. 3, 1963	July 5, 1963		$98.492 Cash	$747,185,000.00		$2,100,972,000.00
				Exchange	53,317,000.00		
2.922	Apr. 4, 1963			99.253 Cash	1,174,762,000.00		
				Exchange	125,708,000.00		
July 11, 1963 2.966	Jan. 10, 1963	July 11, 1963		98.501 Cash	777,669,000.00		2,102,458,000.00
				Exchange	22,781,000.00		
2.913	Apr. 11, 1963			99.264 Cash	1,165,627,000.00		
				Exchange	136,381,000.00		
Other:							
July 15, 1963 3.257	July 15, 1962	July 15, 1963		96.698 Cash	1,987,341,000.00		2,003,591,000.00
				Exchange	16,250,000.00		
Regular weekly:							
July 18, 1963 2.932	Jan. 17, 1963	July 18, 1963		98.518 Cash	785,833,000.00		2,100,781,000.00
				Exchange	14,212,000.00		
2.917	Apr. 18, 1963			99.263 Cash	1,284,209,000.00		
				Exchange	16,527,000.00		
July 25, 1963 2.976	Jan. 24, 1963	July 25, 1963		98.496 Cash	749,769,000.00		2,100,500,000.00
				Exchange	50,494,000.00		
2.884	Apr. 25, 1963			99.271 Cash	1,206,898,000.00		
				Exchange	93,339,000.00		
Aug. 1, 1963 2.972	Jan. 31, 1963	Aug. 1, 1963		98.498 Cash	778,504,000.00		2,101,679,000.00
				Exchange	21,490,000.00		
2.897	May 2, 1963			99.268 Cash	1,208,990,000.00		
				Exchange	92,695,000.00		
Aug. 8, 1963 2.995	Feb. 7, 1963	Aug. 8, 1963		98.486 Cash	755,939,000.00		2,100,131,000.00
				Exchange	43,217,000.00		
2.905	May 9, 1963			99.266 Cash	1,150,106,000.00		
				Exchange	150,869,000.00		
Aug. 15, 1963 2.995	Feb. 14, 1963	Aug. 15, 1963		98.486 Cash	777,086,000.00		2,101,543,000.00
				Exchange	22,949,000.00		
2.903	May 16, 1963			99.266 Cash	1,288,147,000.00		
				Exchange	13,361,000.00		
Aug. 22, 1963 2.969	Feb. 21, 1963	Aug. 22, 1963		98.499 Cash	757,974,000.00		2,102,089,000.00
				Exchange	42,423,000.00		
2.922	May 23, 1963			99.261 Cash	1,159,986,000.00		
				Exchange	141,706,000.00		

Aug. 29, 1963	2.922	Feb. 28, 1963	Aug. 29, 1963	Sold at a discount; payable at par on maturity.	98.523	Cash	755,059,000.00		2,102,530,000.00
						Exchange	45,094,000.00		
	2.973	May 31, 1963			99.257	Cash	1,144,934,000.00		
						Exchange	157,443,000.00		
Sept. 5, 1963	2.938	Mar. 7, 1963	Sept. 5, 1963		98.515	Cash	741,036,000.00		2,103,113,000.00
						Exchange	59,511,000.00		
	3.027	June 6, 1963			99.235	Cash	1,165,286,000.00		
						Exchange	137,280,000.00		
Sept. 12, 1963	2.931	Mar. 14, 1963	Sept. 12, 1963		98.518	Cash	781,645,000.00		2,100,529,000.00
						Exchange	18,620,000.00		
	2.975	June 13, 1963			99.248	Cash	1,285,987,000.00		
						Exchange	14,277,000.00		
Sept. 19, 1963	2.955	Mar. 21, 1963	Sept. 19, 1963		98.506	Cash	746,246,000.00		2,102,297,000.00
						Exchange	54,349,000.00		
	2.997	June 20, 1963			99.242	Cash	1,100,040,000.00		
						Exchange	201,662,000.00		
Sept. 26, 1963	2.977	Mar. 28, 1963	Sept. 26, 1963		98.495	Cash	746,091,000.00		2,101,881,000.00
						Exchange	53,955,000.00		
	2.979	June 27, 1963			99.247	Cash	1,172,520,000.00		
						Exchange	129,315,000.00		
Oct. 3, 1963	2.982	Apr. 4, 1963	Oct. 3, 1963		98.492	Cash	756,386,000.00		800,033,000.00
						Exchange	43,647,000.00		
Oct. 10, 1963	2.978	Apr. 11, 1963	Oct. 10, 1963		98.495	Cash	748,066,000.00		801,369,000.00
						Exchange	53,303,000.00		
Other:									
Oct. 15, 1963	2.969	Oct. 15, 1962	Oct. 15, 1963		96.989	Cash	2,310,069,000.00		2,500,103,000.00
						Exchange	190,034,000.00		
Regular weekly:									
Oct. 17, 1963	3.010	Apr. 18, 1963	Oct. 17, 1963		98.478	Cash	796,505,000.00		800,442,000.00
						Exchange	3,937,000.00		
Oct. 24, 1963	2.982	Apr. 25, 1963	Oct. 24, 1963		98.492	Cash	767,734,000.00		801,100,000.00
						Exchange	33,366,000.00		
Oct. 31, 1963	2.989	May 2, 1963	Oct. 31, 1963		98.489	Cash	769,481,000.00		800,950,000.00
						Exchange	31,469,000.00		
Nov. 7, 1963	2.993	May 9, 1963	Nov. 7, 1963		98.487	Cash	743,576,000.00		801,786,000.00
						Exchange	58,210,000.00		
Nov. 14, 1963	2.990	May 16, 1963	Nov. 14, 1963		98.488	Cash	796,260,000.00		800,667,000.00
						Exchange	4,407,000.00		
Nov. 21, 1963	3.005	May 23, 1963	Nov. 21, 1963		98.481	Cash	736,362,000.00		800,428,000.00
						Exchange	64,066,000.00		
Nov. 29, 1963	3.055	May 31, 1963	Nov. 29, 1963		98.455	Cash	798,506,000.00		801,296,000.00
						Exchange	2,790,000.00		
Dec. 5, 1963	3.098	June 6, 1963	Dec. 5, 1963		98.434	Cash	747,318,000.00		800,219,000.00
						Exchange	52,901,000.00		

Footnotes at end of table.

TABLE 33.—*Description of public debt issues outstanding June 30, 1963*—Continued

Security and rate of interest	Date of security	When redeemable or payable [1]	Interest payment date	Average price received (per $100)	Amount issued	Amount retired	Amount outstanding [2]
INTEREST-BEARING DEBT [a]—Continued							
Public Issues—Continued							
Marketable—Continued							
Treasury bills: Series maturing and approximate yield to maturity (%): [3] [e]—Continued							
Regular weekly—Continued							
Dec. 12, 1963. 3.063	June 13, 1963	Dec. 12, 1963	Sold at a discount; payable at par on maturity.	$98.452 Cash Exchange	$797, 543, 000. 00 3, 386, 000. 00		$800, 929, 000. 00
Dec. 19, 1963. 3.081	June 20, 1963	Dec. 19, 1963		98.442 Cash Exchange	735, 252, 000. 0 65, 448, 000. 00		800, 700, 000. 00
Dec. 26, 1963. 3.070	June 27, 1963	Dec. 26, 1963		98.448 Cash Exchange	754, 346, 000. 00 44, 491, 000. 00		798, 837, 000. 00
Other:							
Jan. 15, 1964. 3.015	Jan. 15, 1963	Jan. 15, 1964		96.943 Cash Exchange	2, 457, 503, 000. 00 38, 648, 000. 00		2, 496, 151, 000. 00
Apr. 15, 1964. 3.062	Apr. 15, 1963	Apr. 15, 1964		96.887 Cash Exchange	2, 416, 618, 000. 00 84, 145, 000. 00		2, 500, 763, 000. 00
Total Treasury bills					47, 229, 867, 000. 00		47, 229, 867, 000. 00
Certificates of indebtedness: [f]							
Regular:							
3½% Series C-1963	Aug. 15, 1962	Aug. 15, 1963	Feb. 15-Aug. 15	Par	6, 851, 434, 000. 00	$1, 670, 799, 000. 00	5, 180, 635, 000. 00
3⅛% Series D-1963	Nov. 15, 1962	Nov. 15, 1963	May 15-Nov. 15	Exchange at par	4, 855, 664, 000. 00	301, 605, 000. 00	4, 554, 059, 000. 00
3¼% Series A-1964	Feb. 15, 1963	Feb. 15, 1964	Feb. 15-Aug. 15	do	6, 741, 214, 000. 00		6, 741, 214, 000. 00
3¼% Series B-1964	May 15, 1963	May 15, 1964	May 15-Nov. 15	do	5, 693, 160, 000. 00		5, 693, 160, 000. 00
Total certificates of indebtedness.					24, 141, 472, 000. 00	1, 972, 404, 000. 00	22, 169, 068, 000. 00
Treasury notes: [f]							
4⅞% Series C-1963	Nov. 15, 1959	Nov. 15, 1963	May 15-Nov. 15	Exchange at par	3, 011, 432, 000. 00		3, 011, 432, 000. 00
4¾% Series A-1964 (effective rate 4.7596%).	July 20, 1959	May 15, 1964	do	do Exchange at 99.75	4, 184, 244, 000. 00 [4] 748, 751, 000. 00		
Subtotal					4, 932, 995, 000. 00		4, 932, 995, 000. 00
5% Series B-1964	Oct. 15, 1959	Aug. 15, 1964	Feb. 15-Aug. 15	Par	2, 315, 724, 000. 00		2, 315, 724, 000. 00
4⅞% Series C-1964 (effective rate 4.9347%).	Feb. 15, 1960	Nov. 15, 1964	May 15-Nov. 15	Exchange at 99.75	4, 195, 320, 000. 00		4, 195, 320, 000. 00
3¾% Series D-1964 [g]	June 23, 1960	May 15, 1964	do	Exchange at par	3, 893, 341, 000. 00		3, 893, 341, 000. 00
3¾% Series E-1964	Aug. 1, 1961	Aug. 15, 1964	Feb. 15-Aug. 15	do	5, 018, 682, 000. 00		5, 018, 682, 000. 00

4⅝% Series A-1965	May 15, 1960	May 15, 1965	May 15-Nov. 15	do	2,112,741,000.00		2,112,741,000.00
3½% Series B-1965	Nov. 15, 1962	Nov. 15, 1965	do	do	3,285,508,000.00	331,704,000.00	2,953,804,000.00
4% Series A-1966	Feb. 15, 1962	Aug. 15, 1966	Feb. 15-Aug. 15	do	4,454,410,000.00		4,454,410,000.00
3⅝% Series B-1966 (effective rate 3.6492%).	May 15, 1962	Feb. 15, 1966	do	do	3,272,638,000.00		
				Exchange at 99.80	3,113,899,000.00		
Subtotal					6,386,537,000.00	733,798,000.00	5,652,739,000.00
3¾% Series A-1967 [g] (effective rate 3.834%).	Sept. 15, 1962	Aug. 15, 1967	Feb. 15-Aug. 15	Exchange at 99.00	180,885,000.00		
				Exchange at 99.50	772,384,000.00		
				Exchange at 99.60	3,234,798,000.00		
				Exchange at 99.90	1,093,461,000.00		
Subtotal					5,281,528,000.00		5,281,528,000.00
3⅝% Series B-1967 [g] (effective rate 3.6800%).	Mar. 15, 1963	Feb. 15, 1967	Feb. 15-Aug. 15	Exchange at 99.50	959,980,000.00		
				Exchange at 99.70	205,885,000.00		
				Exchange at 99.90	3,120,670,000.00		
Subtotal					4,286,535,000.00		4,286,535,000.00
1½% Series EO-1963	Oct. 1, 1958	Oct. 1, 1963	Apr. 1-Oct. 1	Exchange at par	505,574,000.00		505,574,000.00
1½% Series EA-1964	Apr. 1, 1959	Apr. 1, 1964	do	do	456,514,000.00		456,514,000.00
1½% Series EO-1964	Oct. 1, 1959	Oct. 1, 1964	do	do	489,777,000.00		489,777,000.00
1½% Series EA-1965	Apr. 1, 1960	Apr. 1, 1965	do	do	465,673,000.00		465,673,000.00
1½% Series EO-1965	Oct. 1, 1960	Oct. 1, 1965	do	do	315,094,000.00		315,094,000.00
1½% Series EA-1966	Apr. 1, 1961	Apr. 1, 1966	do	do	674,981,000.00		674,981,000.00
1½% Series EO-1966	Oct. 1, 1961	Oct. 1, 1966	do	do	356,530,000.00		356,530,000.00
1½% Series EA-1967	Apr. 1, 1962	Apr. 1, 1967	do	do	270,496,000.00		270,496,000.00
1½% Series EO-1967	Oct. 1, 1962	Oct. 1, 1967	do	do	457,177,000.00		457,177,000.00
1½% Series EA-1968	Apr. 1, 1963	Apr. 1, 1968	do	do	44,002,000.00		44,002,000.00
Total Treasury notes					53,210,571,000.00	1,065,502,000.00	52,145,069,000.00
Treasury bonds: [f]							
2½% of 1963	Dec. 15, 1954	On Aug. 15, 1963	Feb. and Aug. 15	Exchange at par	6,754,695,500.00	5,293,986,500.00	1,460,709,000.00
2½% of 1962-67	May 5, 1942	On and after June 15, 1962; on June 15, 1967.[5 6]	June and Dec. 15	Par	2,118,164,500.00	656,704,400.00	1,461,460,100.00
2½% of 1963-68	Dec. 1, 1942	On and after Dec. 15, 1963; on Dec. 15, 1968.[5]	do	do	2,830,914,000.00	1,015,883,000.00	1,815,031,000.00
3% of 1964	Feb. 14, 1958	On Feb. 15, 1964	Feb. and Aug. 15	Exchange at par	3,854,181,500.00	2,219,880,500.00	1,634,301,000.00
2½% of 1964-69	Apr. 15, 1943	On and after June 15, 1964; on June 15, 1969.[5]	June and Dec. 15	Par	3,761,904,000.00	1,130,542,500.00	2,631,361,500.00
2½% of 1964-69	Sept. 15, 1943	On and after Dec. 15, 1964; on Dec. 15, 1969.[5]	do	do	3,778,754,000.00		
				Exchange at par	59,444,000.00		
Subtotal					3,838,198,000.00	1,295,473,500.00	2,542,724,500.00

Footnotes at end of table.

TABLE 33.—*Description of public debt issues outstanding June 30, 1963*—Continued

Security and rate of interest	Date of security	When redeemable or payable [1]	Interest payment date	Average price received (per $100)	Amount issued	Amount retired	Amount outstanding [2]
INTEREST-BEARING DEBT [a]—Continued							
Public Issues—Continued							
Marketable—Continued							
Treasury bonds [f]—Continued							
2⅝% of 1965	June 15, 1958	On Feb. 15, 1965	Feb. and Aug. 15	Exchange at par	$7,387,534,000.00	$2,705,324,500.00	$4,682,209,500.00
2½% of 1965–70	Feb. 1, 1944	On and after Mar. 15, 1965; on Mar. 15, 1970.[5]	Mar. and Sept. 15	Par	5,120,861,500.00		
				Exchange at par	76,533,000.00		
Subtotal					5,197,394,500.00	2,777,004,500.00	2,420,390,000.00
3¾% of 1966 (effective rate 3.7904%).	Nov. 15, 1960	On May 15, 1966	May and Nov. 15	Exchange at par	1,213,109,500.00		
				Exchange at 99.75	2,384,364,000.00		
Subtotal					3,597,473,500.00		3,597,473,500.00
3% of 1966	Feb. 28, 1958	On Aug. 15, 1966	Feb. and Aug. 15	Par	1,484,298,000.00	459,895,500.00	1,024,402,500.00
3⅜% of 1966 [g]	Mar. 15, 1961	On Nov. 15, 1966	May and Nov. 15	Exchange at par	2,437,629,500.00	586,221,500.00	1,851,408,000.00
2½% of 1966–71	Dec. 1, 1944	On and after Mar. 15, 1966; on Mar. 15, 1971.[5]	Mar. and Sept. 15	Par	3,447,511,500.00		
				Exchange at par	33,353,500.00		
Subtotal					3,480,865,000.00	2,071,777,500.00	1,409,087,500.00
2½% of 1967–72	June 1, 1945	On and after June 15, 1967; on June 15, 1972.[5]	June and Dec. 15	Par	7,967,261,000.00	6,652,782,500.00	1,314,478,500.00
2½% of 1967–72	Oct. 20, 1941	On and after Sept. 15, 1967; on Sept. 15, 1972.	Mar. and Sept. 15	do	2,527,073,950.00		
				Exchange at par	188,971,200.00		
Subtotal					2,716,045,150.00	764,235,900.00	1,951,809,250.00
2½% of 1967–72	Nov. 15, 1945	On and after Dec. 15, 1967; on Dec. 15, 1972.[5]	June and Dec. 15	Par	11,688,868,500.00	8,911,582,500.00	2,777,286,000.00
3⅝% of 1967 (effective rate 3.6083%).[g]	Mar. 15, 1961	On Nov. 15, 1967	May and Nov. 15	Exchange at par	2,426,887,500.00		
				Exchange at 100.30.	1,176,657,000.00		
Subtotal					3,603,544,500.00		3,603,544,500.00

3⅞% of 1968 (effective rate 3.9187%).[6]	June 23, 1960	On May 15, 1968	May and Nov. 15	Par	1,041,697,000.00		
				Exchange at par	348,710,500.00		
				Exchange at 99.50	[7] 320,407,000.00		
				Exchange at 99.375	749,121,000.00		
Subtotal					2,459,935,500.00		2,459,935,500.00
3¾% of 1968	Apr. 18, 1962	On Aug. 15, 1968	Feb. and Aug. 15	Par	1,257,539,500.00		
				Exchange at par	2,489,819,000.00		
Subtotal					3,747,358,500.00		3,747,358,500.00
4% of 1969	Aug. 15, 1962	On Feb. 15, 1969	Feb. and Aug. 15	Par	1,843,615,500.00		1,843,615,500.00
4% of 1969 (effective rate 4.0128%).	Oct. 1, 1957	On Oct. 1, 1969 [5]	Apr. and Oct. 1	do	656,933,000.00		
				Exchange at par	619,461,000.00		
				Exchange at 100.50	[8] 147,697,000.00		
				Exchange at 99.75	1,114,335,500.00		
Subtotal					2,538,426,500.00	839,500.00	2,537,587,000.00
4% of 1970	June 20, 1963	On Aug. 15, 1970	Feb. and Aug. 15	Par	1,905,665,000.00		1,905,665,000.00
4% of 1971 (effective rate 3.8499%).[6]	Mar. 1, 1962	On Aug. 15, 1971	do	Exchange at par	1,154,253,000.00		
				Exchange at 102.0	1,651,373,500.00		
Subtotal					2,805,626,500.00		2,805,626,500.00
3⅞% of 1971 (effective rate 3.9713%).[6]	May 15, 1962	On Nov. 15, 1971	May and Nov. 15	Exchange at 99.50	[9] 1,245,537,000.00		
				Exchange at 98.90	693,473,000.00		
				Exchange at 99.10	93,607,000.00		
				Exchange at 99.30	727,803,000.00		
Subtotal					2,760,420,000.00		2,760,420,000.00
4% of 1972	Nov. 15, 1962	On Feb. 15, 1972	Feb. and Aug. 15	Exchange at par	2,343,511,000.00		2,343,511,000.00
4% of 1972 (effective rate 4.0831%).[6]	Sept. 15, 1962	On Aug. 15, 1972	do	Exchange at 98.80	378,792,000.00		
				Exchange at 99.30	370,327,000.00		
				Exchange at 99.40	1,570,407,000.00		
				Exchange at 99.70	259,021,000.00		
Subtotal					2,578,547,000.00		2,578,547,000.00
3⅞% of 1974 (effective rate 3.9492%).[6]	Dec. 2, 1957	On Nov. 15, 1974 [5]	May and Nov. 15	Par	653,811,500.00		
				Exchange at 98.50	136,239,000.00		
				Exchange at 99.00	517,421,500.00		
				Exchange at 98.30	313,758,000.00		
				Exchange at par	250,545,000.00		
				Exchange at 99.10	372,997,000.00		
Subtotal					2,244,772,000.00	592,500.00	2,244,179,500.00

Footnotes at end of table.

TABLE 33.—*Description of public debt issues outstanding June 30, 1963*—Continued

Security and rate of interest	Date of security	When redeemable or payable [1]	Interest payment date	Average price received (per $100)	Amount issued	Amount retired	Amount outstanding [2]
INTEREST-BEARING DEBT [3]—Continued							
Public Issues—Continued							
Marketable—Continued							
Treasury bonds [4]—Continued							
4¼% of 1975–85	Apr. 5, 1960	On and after May 15, 1975; on May 15, 1985.[5]	May and Nov. 15	Par	$469, 533, 000. 00	$5, 000. 00	$469, 528, 000. 00
3¼% of 1978–83	May 1, 1953	On and after June 15, 1978; on June 15, 1983.[5]	June and Dec. 15	do	1, 188, 769, 175. 00		
				Exchange at par	417, 314, 825. 00		
Subtotal					1, 606, 084, 000. 00	15, 938, 500. 00	1, 590, 145, 500. 00
4% of 1980 (effective rate 4.0432%).[8]	Jan. 23, 1959	On Feb. 15, 1980 [5]	Feb. and Aug. 15	99.00	884, 115, 500. 00		
				99.50	[10] 102, 000. 00		
				Exchange at 99.00	195, 465, 000. 00		
				Exchange at 99.10	17, 346, 000. 00		
				Exchange at 99.30	2, 113, 000. 00		
				Exchange at 99.50	[10] 107, 350, 000. 00		
				Exchange at 99.60	212, 994, 500. 00		
				Exchange at 98.80	420, 040, 000. 00		
				Exchange at 100.25	562, 595, 500. 00		
				Exchange at 100.50	209, 580, 500. 00		
Subtotal					2, 611, 702, 000. 00	1, 179, 500. 00	2, 610, 522, 500. 00
3½% of 1980 (effective rate 3.3819%).[8]	Oct. 3, 1960	On Nov. 15, 1980 [5]	May and Nov. 15	Exchange at par	643, 406, 000. 00		
				Exchange at 102.25.	1, 034, 722, 000. 00		
				Exchange at 103.50.	237, 815, 000. 00		
Subtotal					1, 915, 943, 000. 00	1, 289, 500. 00	1, 914, 653, 500. 00
3¼% of 1985 (effective rate 3.2222%).	June 3, 1958	On May 15, 1985 [5]	May and Nov. 15	100.50	1, 134, 867, 500. 00	4, 843, 500. 00	1, 130, 024, 000. 00
4¼% of 1987–92 (effective rate 4.1911%).	Aug. 15, 1962	On and after Aug. 15, 1987; on Aug. 15, 1992.[5]	Feb. and Aug. 15	101.00	359, 711, 500. 00		
				Exchange at 101.00.	5, 410, 000. 00		
Subtotal					365, 121, 500. 00		365, 121, 500. 00

4% of 1988-93 (effective rate 4.0082%).	Jan. 17, 1963	On and after Feb. 15, 1988; on Feb. 15, 1993.[5]	Feb. and Aug. 15	99.85	250,000,000.00		250,000,000.00
4⅛% of 1989-94 (effective rate 4.0931%).	Apr. 18, 1963	On and after May 15, 1989; on May 15, 1994.[5]	May and Nov. 15	100.55	300,000,000.00		300,000,000.00
3½% of 1990 (effective rate 3.4907%).[g]	Feb. 14, 1958	On Feb. 15, 1990.[5]	Feb. and Aug. 15	Exchange at par	2,719,730,000.00		
				Exchange at 99.00	721,728,000.00		
				Exchange at 100.25.	575,798,500.00		
				Exchange at 101.25.	233,331,500.00		
				Exchange at 101.50.	344,638,000.00		
				Exchange at 101.75.	322,185,500.00		
Subtotal					4,917,411,500.00	4,639,500.00	4,912,772,000.00
3% of 1995	Feb. 15, 1955	On Feb. 15, 1995[5]	Feb. and Aug. 15	Par	821,474,500.00		
				Exchange at par	1,923,642,500.00		
Subtotal					2,745,117,000.00	185,992,000.00	2,559,125,000.00
3½% of 1998 (effective rate 3.5152%).[g]	Oct. 3, 1960	On Nov. 15, 1998[5]	May and Nov. 15	Exchange at par	2,523,024,000.00		
				Exchange at 98.00	494,811,500.00		
				Exchange at 99.00	692,069,500.00		
				Exchange at 100.25.	419,518,000.00		
				Exchange at 100.50.	333,416,000.00		
Subtotal					4,462,839,000.00	5,883,500.00	4,456,955,500.00
Total Treasury bonds					118,725,467,150.00	36,762,497,800.00	81,962,969,350.00
Total marketable obligations.					243,307,377,150.00	39,800,403,800.00	203,506,973,350.00
Nonmarketable[f]							
Certificates of indebtedness:							
2.95% foreign series	Apr. 11, 1963	On 2 days' notice; on July 11, 1963.	July 11, 1963	Par	25,000,000.00		25,000,000.00
2.00% foreign series	May 31, 1963	On 2 days' notice; on July 16, 1963.	July 16, 1963	do	25,000,000.00		25,000,000.00
2.90% foreign series	May 6, 1963	On 2 days' notice; on Aug. 6, 1963.	Aug. 6, 1963	do	25,000,000.00		25,000,000.00
2.95% foreign series	May 20, 1963	On 2 days' notice; on Aug. 20, 1963.	Aug. 20, 1963	do	10,000,000.00		10,000,000.00
2.95% foreign series	May 20, 1963	On 2 days' notice; on Aug. 20, 1963.	Aug. 20, 1963	do	25,000,000.00		25,000,000.00

Footnotes at end of table.

TABLE 33.—*Description of public debt issues outstanding June 30, 1963*—Continued

Security and rate of interest	Date of security	When redeemable or payable [1]	Interest payment date	Average price received (per $100)	Amount issued	Amount retired	Amount outstanding [2]
INTEREST-BEARING DEBT [3]—Continued							
Public Issues—Continued							
Nonmarketable [4]—Continued							
Certificates of indebtedness—Con.							
2.95% foreign series	May 24, 1963	On 2 days' notice; on Aug. 26, 1963.	Aug. 26, 1963	Par	$25,000,000.00		$25,000,000.00
3.00% foreign series	May 29, 1963	On 2 days' notice; on Aug. 29, 1963.	Aug. 29, 1963	do	15,000,000.00		15,000,000.00
3.00% foreign series	June 18, 1963	On 2 days' notice; on Sept. 18, 1963.	Sept. 18, 1963	do	25,000,000.00		25,000,000.00
3.00% foreign series	June 20, 1963	On 2 days' notice; on Sept. 20, 1963.	Sept. 20, 1963	do	25,000,000.00		25,000,000.00
3.00% foreign series	June 21, 1963	On 2 days' notice; on Sept. 23, 1963.	Sept. 23, 1963	do	25,000,000.00		25,000,000.00
3.00% foreign series	June 26, 1963	On 2 days' notice; on Sept. 26, 1963.	Sept. 26, 1963	do	100,000,000.00		100,000,000.00
2.75% foreign series	June 20, 1963	On 2 days' notice; on Dec. 20, 1963.	Dec. 20, 1963	do	50,000,000.00	$10,000,000.00	40,000,000.00
3.10% foreign series	June 27, 1963	On 2 days' notice; on Dec. 27, 1963.	Dec. 27, 1963	do	100,000,000.00		100,000,000.00
Total foreign series					475,000,000.00	10,000,000.00	465,000,000.00
2.00% foreign currency series	Oct. 22, 1962	On July 1, 1963 [11]	July 1, 1963	432.1054 Swiss francs.	25,456,750.00		25,456,750.00
Treasury notes:							
3.10% foreign series	Jan. 4, 1963	On Apr. 6, 1964 [12]	Apr. and Oct. 6	Par	125,000,000.00		125,000,000.00
3.125% foreign series	Jan. 21, 1963	On Jan. 21, 1968 [11]	Jan. and July 21	do	58,000,000.00		58,000,000.00
Total foreign series					183,000,000.00		183,000,000.00
Treasury bonds:							
2.75% foreign currency series	Oct. 18, 1962	On Jan. 20, 1964	Semiannually and at maturity.	432.1054 Swiss francs.	23,142,500.00		23,142,500.00
3.00% foreign currency series	Nov. 30, 1962	On Feb. 28, 1964	do	62,082.8806 Italian lire.	50,013,787.50		50,013,787.50
2.75% foreign currency series	Nov. 8, 1962	On Mar. 9, 1964	do	431.5460 Swiss francs.	27,807,000.00		27,807,000.00

3.00% foreign currency series	Dec. 7, 1962	On Mar. 9, 1964	Semiannually and at maturity.	620,082.8806 Italian lire.	49,933,250.00		49,933,250.00
3.13% foreign currency series	Jan. 24, 1963	On Apr. 24, 1964 [13]	Apr. and Oct. 24	400.4605 Deutsche marks.	49,942,500.00		49,942,500.00
2.82% foreign currency series	Jan. 24, 1963	On May 25, 1964	Semiannually and at maturity.	432.3857 Swiss francs.	30,065,750.00		30,065,750.00
2.82% foreign currency series	Apr. 1, 1963	On July 1, 1964 [13]	Jan. and July 1	433.0937 Swiss francs.	22,397,300.00		22,397,300.00
3.18% foreign currency series	Jan. 24, 1963	On July 24, 1964 [13]	Jan. and July 24	400.4605 Deutsche marks.	49,942,500.00		49,942,500.00
2.83% foreign currency series	Apr. 4, 1963	On Sept. 4, 1964	Semiannually and at maturity.	432.7599 Swiss francs.	23,107,500.00		23,107,500.00
3.23% foreign currency series	Apr. 26, 1963	On Oct. 26, 1964 [13]	Apr. and Oct. 26	258.4000 Austrian schillings.	25,154,798.76		25,154,798.76
3.09% foreign currency series	Feb. 14, 1963	On Nov. 16, 1964 [13]	May and Nov. 16	400.2401 Deutsche marks.	49,970,000.00		49,970,000.00
2.82% foreign currency series	May 16, 1963	On Nov. 16, 1964 [13]	do	432.2700 Swiss francs.	23,133,689.59		23,133,689.59
3.14% foreign currency series	Feb. 14, 1963	On Feb. 15, 1965 [13]	Feb. and Aug. 15	400.2401 Deutsche marks.	49,970,000.00		49,970,000.00
3.27% foreign currency series	Mar. 29, 1963	On Mar. 29, 1965 [13]	Mar. and Sept. 29	62,092.5178 Italian lire.	24,962,750.00		24,962,750.00
3.26% foreign currency series	May 16, 1963	On May 16, 1965 [13]	May and Nov. 16	4,986.2499 Belgian francs.	20,055,151.67		20,055,151.67
3.22% foreign currency series	May 20, 1963	On May 20, 1965 [13]	May and Nov. 20	4,985.3749 Belgian francs.	10,029,335.81		10,029,335.81
3.30% foreign currency series	June 28, 1963	On June 28, 1965 [13]	June and Dec. 28	62,188.0000 Italian lire.	74,773,268.15		74,773,268.15
Total foreign currency series					604,401,081.48		604,401,081.48
U.S. retirement plan bonds: (investment yield 3.75%, compounded semiannually) [14]	1st day of each mo. beginning Jan. 1, 1963.	Not redeemable until owner attains age 59½ except in case of death or disability.	Indeterminate	Par	191,600.00		191,600.00
Depositary bonds:							
2% First Series	Various dates from July 1951.	At option of U.S. or owner upon 30 to 60 days' notice; 12 yrs. from issue date.	June and Dec. 1	Par	646,251,000.00	543,140,500.00	103,110,500.00
Treasury bonds:							
2% R.E.A. series	July 1, 1960	do	Jan. and July 1	do	35,137,000.00	8,525,000.00	26,612,000.00

Footnotes at end of table.

TABLE 33.—*Description of public debt issues outstanding June 30, 1963*—Continued

Security and rate of interest	Date of security	When redeemable or payable [1]	Interest payment date	Average price received (per $100)	Amount issued	Amount retired	Amount outstanding [2]
INTEREST-BEARING DEBT [a]—Continued							
Public Issues—Continued							
Nonmarketable [f]—Continued							
Treasury bonds, investment series:							
2½% series A-1965	Oct. 1, 1947	On and after Apr. 1, 1948, on demand at option of owner on 1 month's notice; payable on Oct. 1, 1965.	Apr. and Oct. 1	Par	$969,960,000.00	$524,470,000.00	$445,490,000.00
2¾% Series B-1975-80	Apr. 1, 1951	Apr. 1, 1975, exchangeable at any time at option of owner for marketable Treasury notes; payable on Apr. 1, 1980.[5, 15]	do	do	451,397,500.00		
				Exchange at par	14,879,956,500.00		
Subtotal					15,331,354,000.00	[16] 11,855,863,000.00	3,475,491,000.00
Total Treasury bonds, investment series.					16,301,314,000.00	12,380,333,000.00	3,920,981,000.00
1% Treasury certificates	June 14, 1963	On demand; on Dec. 15, 1963.	Dec. 15, 1963	Par	2,500,000.00		2,500,000.00
U.S. savings bonds: Series and approximate yield to maturity (%): [17]	First day of each month.	After 2 mos. from issue date, on demand at option of owner; 10 yrs. from issue date but may be held for additional period.[18]	Sold at a discount; payable at par on maturity.				
E-1941, 3.223 [19]	May to Dec. 1941	do	do	$75.00	1,825,819,555.29	1,538,312,390.42	287,507,164.87
E-1942, 3.252 [19]	Jan. to Apr. 1942	do	do	$75.00	2,245,869,367.48	1,863,632,906.62	382,236,460.86
E-1942, 3.252 [19]	May to Dec. 1942	do	do	$75.00	5,815,558,792.82	4,956,513,099.04	859,045,693.78
E-1943, 3.276 [19]	Jan. to Dec. 1943	do	do	$75.00	12,976,329,185.93	10,964,560,201.49	2,011,768,984.44
E-1944, 3.298 [19]	Jan. to Dec. 1944	do	do	$75.00	15,108,388,195.97	12,636,487,046.63	2,471,901,149.34
E-1945, 3.316 [19]	Jan. to Dec. 1945	do	do	$75.00	11,830,314,917.42	9,685,948,317.37	2,144,366,600.05
E-1946, 3.327 [19]	Jan. to Dec. 1946	do	do	$75.00	5,313,296,505.21	4,127,698,980.22	1,185,597,524.99

E-1947, 3.346 [19]	Jan. to Dec. 1947	do	do	$75.00	5.003,290,698.88	3,705,163,720.41	1,298,126,978.47
E-1948, 3.366 [19]	Jan. to Dec. 1948	do	do	$75.00	5,153,290,081.70	3,707,844,983.22	1,445,445,098,48
E-1949, 3.344 [19]	Jan. to Dec. 1949	do	do	$75.00	5,068,690,632.91	3,558,127,897.21	1,510,562,735.70
E-1950, 3.347 [19]	Jan. to Dec. 1950	do	do	$75.00	4,417,845,392.89	3,014,882,960.19	1,402,962,432.70
E-1951, 3.378 [19]	Jan. to Dec. 1951	do	do	$75.00	3,826,183,290.11	2,595,261,129.98	1,230,922,160.13
E-1952, 3.400 (Jan. to Apr.)	Jan. to Apr. 1952	do	do	$75.00	1,313,238,299.18	881,949,497.11	431,288,802.07
E-1952, 3.451 (May to Dec.) [19]	May to Dec. 1952	After 2 mos. from issue date, on demand at option of owner; 9 yrs., 8 mos. from issue date but may be held for additional periods. [18]	do	$75.00	2,687,966,617.96	1,766,476,176.51	921,490,441.45
E-1953, 3.468 [19]	Jan. to Dec. 1953	do	do	$75.00	4,551,943,240.79	2,804,651,598.49	1,747,291,642.30
E-1954, 3.497 [19]	Jan. to Dec. 1954	do	do	$75.00	4,587,163,878.88	2,713,449,189.75	1,873,714,689.13
E-1955, 3.522 [19]	Jan. to Dec. 1955	do	do	$75.00	4,752,216,322.22	2,771,906,479.22	1,980,309,843.00
E-1956, 3.546 [19]	Jan. to Dec. 1956	do	do	$75.00	4,565,873,247.62	2,670,767,061.10	1,895,106,186.52
E-1957, 3.560 (Jan.)	Jan. 1957	do	do	$75.00	376,576,662.58	213,271,115.96	163,305,546.62
E-1957, 3.653 (Feb. to Dec.) [19]	Feb. to Dec. 1957	After 2 mos. from issue date, on demand at option of owner; 8 yrs., 11 mos. from issue date, but may be held for additional period. [18]	do	$75.00	3,910,748,310.41	2,209,341.243.56	1,701,407,066.85
E-1958, 3.690 [19]	Jan. to Dec. 1958	do	do	$75.00	4,141,067,369.81	2,176,594,486.78	1,964,472,883.03
E-1959, 3.730 (Jan. to May)	Jan. to May 1959	do	do	$75.00	1,657,438,992.16	857,675,031.28	799,763,960.88
E-1959, 3.750 (June to Dec.)	June to Dec. 1959	After 2 mos. from issue date, on demand at option of owner; 7 yrs., 9 mos. from issue date but may be held for additional period. [18]	do	$75.00	2,211,640,084.46	1,125,078,003.66	1,086,562,080.80
E-1960, 3.750	Jan. to Dec. 1960	do	do	$75.00	3,846,482,171.21	1,806,740,113.61	2,039,742,057.60
E-1961, 3.750	Jan. to Dec. 1961	do	do	$75.00	3,853,368,051.38	1,584,854,369.60	2,268,513,681.78
E-1962, 3.750	Jan. to Dec. 1962	do	do	$75.00	3,709,706,009.71	1,259,078,504.42	2,450,627,505.29
E-1963, 3.750	Jan. to June 1963	do	do	$75.00	1,806,606,581.25	234,747,787.50	1,571,858,793.75
Unclassified sales and redemptions.					30,730,520.30	−255,530.67	30,986,050.97
Total Series E					126,587,642,976.53	87,430,758,760.68	39,156,884,215.85

Footnotes at end of table.

TABLE 33.—*Description of public debt issues outstanding June 30, 1963*—Continued

Security and rate of interest	Date of security	When redeemable or payable [1]	Interest payment date	Average price received (per $100)	Amount issued	Amount retired	Amount outstanding [2]
INTEREST-BEARING DEBT [3]—Continued							
Public Issues—Continued							
Nonmarketable [4]—Continued							
U.S. saving bonds: Series and approximate yield to maturity (%) [17]—Continued	First day of each month:	After 6 mos. from issue date, on demand at option of owner on 1 month's notice; 12 yrs. from issue date.	Sold at a discount; payable at par on maturity.				
F-1951, 2.53	Jan. to Dec. 1951	do	do	$74.00	$150,500,888.16	$113,225,589.66	$37,275,298.50
F-1952, 2.53	Jan. to Apr. 1952	do	do	$74.00	48,698,089.31	27,396,475.21	21,301,614.10
Unclassified redemptions						869,313.56	−869,313.56
Total Series F					199,198,977.47	141,491,378.43	57,707,599.04
G-1951, 2.50	Jan. to Dec. 1951	do	Semiannually	Par	644,428,000.00	517,825,700.00	126,602,300.00
G-1952, 2.50	Jan. to Apr. 1952	do	do	do	163,428,200.00	98,163,200.00	65,265,000.00
Unclassified redemptions						60,100.00	−60,100.00
Total Series G					807,856,200.00	616,049,000.00	191,807,200.00
H-1952, 3.123 [19]	June to Dec. 1952	After 6 mos. from issue date on demand at option of owner on 1 month's notice; 9 yrs., 8 mos. from issue date. [20]	Semiannually	Par	191,480,500.00	101,372,000.00	90,108,500.00
H-1953, 3.161 [19]	Jan. to Dec. 1953	do	do	do	470,499,500.00	205,580,500.00	264,919,000.00
H-1954, 3.211 [19]	Jan. to Dec. 1954	do	do	do	877,680,500.00	327,788,000.00	549,892,500.00
H-1955, 3.258 [19]	Jan. to Dec. 1955	do	do	do	1,173,084,000.00	420,765,000.00	752,319,000.00
H-1956, 3.317 [19]	Jan. to Dec. 1956	do	do	do	893,176,000.00	277,836,500.00	615,339,500.00
H-1957, 3.360 (Jan.)	Jan. 1957	do	do	do	64,506,000.00	17,723,500.00	46,782,500.00
H-1957, 3.626 (Feb. to Dec.) [19]	Feb. to Dec. 1957	After 6 mos. from issue date on demand at option of owner on 1 month's notice; 10 yrs. from issue date.	do	do	567,682,000.00	132,635,500.00	435,046,500.00

H-1958, 3.679 [19]	Jan. to Dec. 1958	do	do	do	890, 252, 500. 00	197, 281, 500. 00	692, 971, 000. 00
H-1959, 3.720 (Jan. to May)	Jan. to May 1959	do	do	do	356, 318, 500. 00	57, 460, 000. 00	298, 858, 500. 00
H-1959, 3.750 (June to Dec.)	June to Dec. 1959	do	do	do	362, 413, 000. 00	49, 525, 000. 00	312, 888, 000. 00
H-1960, 3.750	Jan. to Dec. 1960	do	do	do	1, 006, 765, 500. 00	89, 329, 000. 00	917, 436, 500. 00
H-1961, 3.750	Jan. to Dec. 1961	do	do	do	1, 041, 579, 000. 00	59, 198, 000. 00	982, 381, 000. 00
H-1962, 3.750	Jan. to Dec. 1962	do	do	do	856, 748, 000. 00	18, 849, 000. 00	837, 899, 000. 00
H-1963, 3.750	Jan. to June 1963	do	do	do	389, 954, 500. 00	288, 000. 00	389, 666, 500. 00
Unclassified sales and redemptions.					15, 885, 000. 00	43, 500. 00	15, 841, 500. 00
Total Series H					9, 158, 024, 500. 00	1, 955, 675, 000. 00	7, 202, 349, 500. 00
J-1952, 2.76	May to Dec. 1952	After 6 mos. from issue date on demand at option of owner on 1 month's notice; 12 yrs. from issue date.	Sold at a discount; payable at par on maturity.	$72.00	106, 235, 828. 94	62, 190, 145. 14	44, 045, 683. 80
J-1953, 2.76	Jan. to Dec. 1953	do	do	$72.00	155, 846, 154. 52	79, 950, 346. 93	75. 895, 807. 59
J-1954, 2.76	Jan. to Dec. 1954	do	do	$72.00	375, 820, 980. 23	233, 573, 070. 38	142, 247, 909. 85
J-1955, 2.76	Jan. to Dec. 1955	do	do	$72.00	270, 245, 293. 41	143, 703, 425. 01	126, 541, 868. 40
J-1956, 2.76	Jan. to Dec. 1596	do	do	$72.00	170, 474, 830. 07	70, 904, 739. 43	99, 570, 090. 64
J-1957, 2.76	Jan. to Apr. 1957	do	do	$72.00	35, 858, 078. 24	12, 909, 101. 44	22, 948, 976. 80
Total Series J					1, 114, 481, 165. 41	603, 230, 828. 33	511, 250, 337. 08
K-1952, 2.76	May to Dec. 1952	After 6 mos. from issue date on demand at option of owner on 1 month's notice; 12 yrs. from issue date.	Semiannually	Par	291, 932, 000. 00	164, 898, 500. 00	127, 033, 500. 00
K-1953, 2.76	Jan. to Dec. 1953	do	do	do	302, 931, 500. 00	151, 065, 000. 00	151, 866, 500. 00
K-1954, 2.76	Jan. to Dec. 1954	do	do	do	981, 680, 000. 00	605, 390, 500. 00	376, 289, 500. 00
K-1955, 2.76	Jan. to Dec. 1955	do	do	do	633, 925, 500. 00	321, 636, 500. 00	312, 289, 000. 00
K-1956, 2.76	Jan. to Dec. 1956	do	do	do	318, 825, 500. 00	126, 833, 500. 00	191, 992, 000. 00
K-1957, 2.76	Jan. to Apr. 1957	do	do	do	53, 978, 500. 00	16, 315, 500. 00	37, 663, 000. 00
Total Series K					2, 583, 273, 000. 00	1, 386, 139, 500. 00	1, 197, 133, 500. 00
Total U.S. savings bonds					140, 450, 476, 819. 41	92, 133, 344, 467. 44	48, 317, 132, 351. 97
Total nonmarketable obligations.					158, 723, 728, 250. 89	105, 075, 342, 967. 44	53, 648, 385, 283. 45
Total public issues					402, 031, 105, 400. 89	144, 875, 746, 767. 44	257, 155, 358, 633. 45

Footnotes at end of table.

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TABLE 33.—*Description of public debt issues outstanding June 30, 1963*—Continued

Security and rate of interest	Date of security	When redeemable or payable [1]	Interest payment date	Average price received (per $100)	Amount issued	Amount retired	Amount outstanding [2]
INTEREST-BEARING DEBT [a]—Continued							
Special Issues [h]							
Civil service retirement fund:							
Certificates:							
3⅞% Series 1964	June 30, 1963	On demand; on June 30, 1964.	June 30	Par	$80,248,000.00		$80,248,000.00
		Redeemable after 1 yr. from date of issue and payable on June 30:					
Notes:							
3⅞% Series 1965	do	1965	do	do	80,227,000.00		80,227,000.00
3⅞% Series 1966	do	1966	do	do	80,227,000.00		80,227,000.00
3⅞% Series 1967	do	1967	do	do	80,227,000.00		80,227,000.00
3⅞% Series 1968	do	1968	do	do	80,227,000.00		80,227,000.00
3¾% Series 1964	June 30, 1962	1964	do	do	60,976,000.00		60,976,000.00
3¾% Series 1965	do	1965	do	do	60,976,000.00		60,976,000.00
3¾% Series 1966	do	1966	do	do	60,976,000.00		60,976,000.00
3¾% Series 1967	do	1967	do	do	60,976,000.00		60,976,000.00
2⅞% Series 1964	June 30, 1961	1964	do	do	69,913,000.00		69,913,000.00
2⅞% Series 1965	do	1965	do	do	69,913,000.00		69,913,000.00
2⅞% Series 1966	do	1966	do	do	69,913,000.00		69,913,000.00
	Various dates from:						
2⅝% Series 1964	June 30, 1959	1964	do	do	230,527,000.00		230,527,000.00
2⅝% Series 1965	June 30, 1960	1965	do	do	51,316,000.00		51,316,000.00
		On demand; on June 30:					
Bonds:							
3⅞% Series 1969	June 30, 1963	1969	do	do	80,227,000.00		80,227,000.00
3⅞% Series 1970	do	1970	do	do	80,227,000.00		80,227,000.00
3⅞% Series 1971	do	1971	do	do	80,227,000.00		80,227,000.00
3⅞% Series 1972	do	1972	do	do	532,981,000.00		532,981,000.00
3⅞% Series 1973	June 30, 1963	1973	do	do	103,448,000.00		103,448,000.00
3⅞% Series 1974	do	1974	do	do	80,227,000.00		80,227,000.00
3⅞% Series 1975	do	1975	do	do	80,227,000.00		80,227,000.00
3⅞% Series 1976	do	1976	do	do	80,227,000.00		80,227,000.00
3⅞% Series 1977	do	1977	do	do	80,227,000.00		80,227,000.00
3⅞% Series 1978	do	1978	do	do	826,643,000.00		826,643,000.00
3¾% Series 1968	June 30, 1962	1968	do	do	60,976,000.00		60,976,000.00
3¾% Series 1969	do	1969	do	do	60,976,000.00		60,976,000.00
3¾% Series 1970	do	1970	do	do	60,976,000.00		60,976,000.00
3¾% Series 1971	do	1971	do	do	60,976,000.00		60,976,000.00

3¾% Series 1972	do	1972	do	do	60,976,000.00		60,976,000.00
3¾% Series 1973	do	1973	do	do	60,976,000.00		60,976,000.00
3¾% Series 1974	do	1974	do	do	60,976,000.00		60,976,000.00
3¾% Series 1975	do	1975	do	do	60,976,000.00		60,976,000.00
3¾% Series 1976	do	1976	do	do	60,976,000.00		60,976,000.00
3¾% Series 1977	do	1977	do	do	746,416,000.00		746,416,000.00
2⅞% Series 1967	June 30, 1961	1967	do	do	69,913,000.00		69,913,000.00
2⅞% Series 1968	do	1968	do	do	69,913,000.00		69,913,000.00
2⅞% Series 1969	do	1969	do	do	69,913,000.00		69,913,000.00
2⅞% Series 1970	do	1970	do	do	69,913,000.00		69,913,000.00
2⅞% Series 1971	do	1971	do	do	69,913,000.00		69,913,000.00
2⅞% Series 1973	do	1973	do	do	69,913,000.00	$23,221,000.00	46,692,000.00
2⅞% Series 1974	do	1974	do	do	69,913,000.00		69,913,000.90
2⅞% Series 1975	do	1975	do	do	69,913,000.00		69,913,000.00
2⅞% Series 1976	do	1976	do	do	685,440,000.00		685,440,000.00
2⅝% Series 1965	June 30, 1959	1965	do	do	179,211,000.00		179,211,000.00
2⅝% Series 1966	Various dates from June 30, 1959.	1966	do	do	230,527,000.00		230,527,000.00
2⅝% Series 1967		1967	do	do	230,527,000.00		230,527,000.00
2⅝% Series 1968		1968	do	do	415,527,000.00		415,527,000.00
2⅝% Series 1969	do	1969	do	do	615,527,000.00		615,527,000.00
2⅝% Series 1970	do	1970	do	do	615,527,000.00		615,527,000.00
2⅝% Series 1971	do	1971	do	do	615,527,000.00		615,527,000.00
2⅝% Series 1972	do	1972	do	do	615,527,000.00	382,841,000.00	232,686,000.00
2⅝% Series 1973	do	1973	do	do	615,527,000.00		615,527,000.00
2⅝% Series 1974	do	1974	do	do	615,527,000.00		615,527,000.00
2⅝% Series 1975	June 30, 1960	1975	do	do	615,527,000.00		615,527,000.00
2½% Series 1964	Various dates from June 30, 1957.	1964	do	do	385,000,000.00		385,000,000.00
2½% Series 1965		1965	do	do	385,000,000.00		385,000,000.00
2½% Series 1966		1966	do	do	385,000,000.00		385,000,000.00
2½% Series 1967	do	1967	do	do	385,000,000.00		385,000,000.00
2½% Series 1968	June 30, 1958	1968	do	do	200,000,000.00		200,000,000.00
Exchange Stabilization Fund:							
Certificates:							
2.65% Series 1963	Various dates from June 1, 1963.	On demand; on July 1, 1963.	July 1, 1963	do	216,089,232.70	107,942,257.94	108,146,974.76
Federal Deposit Insurance Corporation:	Various dates from Dec. 1:	Redeemable after 1 yr. from date of issue and payable on Dec. 1:					
Notes:							
2% Series 1966	1961	1966	June 1, Dec. 1	do	458,700,000.00	333,500,000.00	125,200,000.00
2% Series 1967	1962	1967	do	do	135,243,000.00		135,243,000.00
Federal disability insurance trust fund:							
Certificates:							
3⅞% Series 1964	June 30, 1963	On demand; on June 30, 1964.	June 30-Dec. 31	do	5,706,000.00		5,706,000.00
		Redeemable after 1 yr. from date of issue and payable on June 30:					

Footnotes at end of table.

TABLE 33.—*Description of public debt issues outstanding June 30, 1963*—Continued

Security and rate of interest	Date of security	When redeemable or payable [1]	Interest payment date	Average price received (per $100)	Amount issued	Amount retired	Amount outstanding [2]
INTEREST-BEARING DEBT [a]—Continued							
Special Issues [b]—Continued		Redeemable after 1 year from date of issue and payable on June 30:					
Federal disability insurance trust fund:—Continued							
Notes:							
3¾% Series 1964	June 30, 1961	1964	June 30-Dec. 31	Par	$20,738,000.00	$11,825,000.00	$8,913,000.00
3¾% Series 1965	do	1965	do	do	20,738,000.00		20,738,000.00
3¾% Series 1966	do	1966	do	do	20,738,000.00		20,738,000.00
3¾% Series 1967	June 30, 1962	1967	do	do	1,349,000.00		1,349,000.00
2⅝% Series 1965	June 30, 1960	1965	do	do	32,394,000.00		32,394,000.00
		On demand; on June 30:					
Bonds:							
3⅞% Series 1978	June 30, 1963	1978	do	do	153,632,000.00		153,632,000.00
3¾% Series 1967	June 30, 1961	1967	do	do	19,389,000.00		19,389,000.00
3¾% Series 1968	do	1968	do	do	20,738,000.00		20,738,000.00
3¾% Series 1969	do	1969	do	do	20,738,000.00		20,738,000.00
3¾% Series 1970	do	1970	do	do	20,738,000.00		20,738,000.00
3¾% Series 1971	do	1971	do	do	20,738,000.00		20,738,000.00
3¾% Series 1972	do	1972	do	do	20,738,000.00		20,738,000.00
3¾% Series 1973	do	1973	do	do	20,738,000.00		20,738,000.00
3¾% Series 1974	do	1974	do	do	20,738,000.00		20,738,000.00
3¾% Series 1975	do	1975	do	do	20,738,000.00		20,738,000.00
3¾% Series 1976	do	1976	do	do	153,632,000.00		153,632,000.00
3¾% Series 1977	June 30, 1962	1977	do	do	153,632,000.00		153,632,000.00
2⅝% Series 1965	June 30, 1959	1965	do	do	63,000,000.00		63,000,000.00
	Various dates from:						
2⅝% Series 1966	June 30, 1959	1966	do	do	95,394,000.00		95,394,000.00
2⅝% Series 1967	do	1967	do	do	95,394,000.00		95,394,000.00
2⅝% Series 1968	do	1968	do	do	102,894,000.00		102,894,000.00
2⅝% Series 1969	do	1969	do	do	132,894,000.00		132,894,000.00
2⅝% Series 1970	do	1970	do	do	132,894,000.00		132,894,000.00
2⅝% Series 1971	do	1971	do	do	132,894,000.00		132,894,000.00
2⅝% Series 1972	do	1972	do	do	132,894,000.00		132,894,000.00
2⅝% Series 1973	do	1973	do	do	132,894,000.00		132,894,000.00
2⅝% Series 1974	do	1974	do	do	132,894,000.00		132,894,000.00
2⅝% Series 1975	June 30, 1960	1975	do	do	132,894,000.00		132,894,000.00
2½% Series 1965	Various dates from June 30, 1957.	1965	do	do	37,500,000.00		37,500,000.00

2½% Series 1966	do	1966	do	do	37,500,000.00		37,500,000.00
2½% Series 1967	do	1967	do	do	37,500,000.00		37,500,000.00
2½% Series 1968	June 30, 1958	1968	do	do	30,000,000.00		30,000,000.00
Federal home loan banks:							
Certificates:							
2⅜% Series 1964	June 30, 1963	On demand; on June 30, 1964.	do	do	322,000,000.00		322,000,000.00
2⅛% Series 1964	do	do	do	do	50,000,000.00		50,000,000.00
Federal Housing Administration:		Redeemable after 1 year from date of issue and payable on June 30:					
Apartment unit insurance fund (notes):							
2% Series 1966	Aug. 21, 1961	1966	do	do	850,000.00	225,000.00	625,000.00
Armed services housing mortgage insurance fund (notes):							
2% Series 1965	Various dates from Dec. 21, 1960.	1965	do	do	27,411,000.00	21,676,000.00	5,735,000.00
2% Series 1967	Feb. 15, 1963	1967	do	do	7,940,000.00		7,940,000.00
Experimental housing insurance fund (notes):							
2% Series 1966	Various dates from Aug. 21. 1961.	1966	do	do	850,000.00		850,000.00
Housing insurance fund (notes):							
2% Series 1965	Sept. 5, 1960	1965	do	do	460,000.00		460,000.00
2% Series 1967	Various dates from June 30, 1962.	1967	do	do	698,000.00		698,000.00
Housing investment insurance fund (notes):							
2% Series 1967	do	1967	do	do	90,000.00		90,000.00
Mutual mortgage insurance fund (notes):							
2% Series 1967	do	1967	do	do	24,209,000.00	13,972,000.00	10,237,000.00
National defense housing insurance fund (notes):							
2% Series 1966	Aug. 21, 1961	1966	do	do	860,000.00	770,000.00	90,000.00
2% Series 1967	Feb. 15, 1962	1967	do	do	340,000.00		340,000.00
Section 203 home improvement account (notes):							
2% Series 1966	Various dates from Aug. 21, 1961.	1966	do	do	850,000.00	225,000.00	625,000.00
Section 220 home improvement account (notes):							
2% Series 1966	do	1966	do	do	850,000.00	150,000.00	700,000.00

Footnotes at end of table.

TABLE 33.—*Description of public debt issues outstanding June 30, 1963*—Continued

Security and rate of interest	Date of security	When redeemable or payable [1]	Interest payment date	Average price received (per $100)	Amount issued	Amount retired	Amount outstanding
INTEREST-BEARING DEBT [a]—Continued							
Special Issues [b]—Continued		Redeemable after 1 year from date of issue and payable on June 30:					
Federal Housing Administration—Continued							
Section 220 housing insurance fund (notes):							
2% Series 1964	June 30, 1959	1964	June 30-Dec. 31	Par	$550,000.00	$285,000.00	$265,000.00
2% Series 1965	Various dates from: Sept. 6, 1960	1965	do	do	250,000.00		250,000.00
2% Series 1967	June 30, 1962	1967	do	do	1,300,000.00		1,300,000.00
Servicemen's mortgage insurance fund (notes):							
2% Series 1967	do	1967	do	do	3,175,000.00	1,550,000.00	1,625,000.00
Title I housing insurance fund (notes):							
2% Series 1966	June 30, 1961	1966	do	do	500,000.00		500,000.00
2% Series 1967	Various dates from: Dec. 27, 1962	1967	do	do	240,000.00	50,000.00	190,000.00
Title I insurance fund (notes):							
2% Series 1967	June 30, 1962	1967	do	do	26,549,000.00	12,926,000.00	13,623,000.00
War housing insurance fund (notes):							
2% Series 1967	Dec. 27, 1962	1967	do	do	9,510,000.00	1,565,000.00	7,945,000.00
Federal old-age and survivors insurance trust fund:		On demand; on June 30:					
Bonds:							
3⅞% Series 1977	June 30, 1963	1977	do	do	1,080,011,000.00		1,080,011,000.00
3⅞% Series 1978	do	1978	do	do	658,444,000.00		658,444,000.00
3¾% Series 1975	June 30, 1961	1975	do	do	160,077,000.00		160,077,000.00
3¾% Series 1976	do	1976	do	do	1,080,011,000.00		1,080,011,000.00
2⅝% Series 1965	June 30, 1959	1965	do	do	168,000,000.00		168,000,000.00
2⅝% Series 1966	do	1966	do	do	168,000,000.00		168,000,000.00
2⅝% Series 1967	do	1967	do	do	168,000,000.00		168,000,000.00
2⅝% Series 1968	do	1968	do	do	668,000,000.00		668,000,000.00
2⅝% Series 1969	do	1969	do	do	1,133,000,000.00	52,989,000.00	1,080,011,000.00
2⅝% Series 1970	do	1970	do	do	1,133,000,000.00	52,989,000.00	1,080,011,000.00
2⅝% Series 1971	do	1971	do	do	1,133,000,000.00	52,989,000.00	1,080,011,000.00
2⅝% Series 1972	do	1972	do	do	1,133,000,000.00	52,989,000.00	1,080,011,000.00
2⅝% Series 1973	do	1973	do	do	1,133,000,000.00	52,989,000.00	1,080,011,000.00
2⅝% Series 1974	do	1974	do	do	1,133,000,000.00	52,989,000.00	1,080,011,000.00
2⅝% Series 1975	June 30, 1960	1975	do	do	919,934,000.00		919,934,000.00

2½% Series 1965	Various dates from: June 30, 1957	1965	do	do	965,000,000.00	530,425,000.00	434,575,000.00
2½% Series 1966	do	1966	do	do	965,000,000.00	52,989,000.00	912,011,000.00
2½% Series 1967	do	1967	do	do	965,000,000.00	52,989,000.00	912,011,000.00
2½% Series 1968	June 30, 1958	1968	do	do	465,000,000.00	52,989,000.00	412,011,000.00
Federal Savings and Loan Insurance Corporation:							
Notes:							
2% Series 1967	Various dates from July 2, 1962.	Redeemable after 1 year from date of issue and payable on June 30, 1967.	do	do	311,000,000.00	212,906,000.00	98,094,000.00
Foreign service retirement fund:							
Certificates:							
4% Series 1964	June 30, 1963	On demand; on June 30, 1964.	June 30	do	36,219,000.00		36,219,000.00
3% Series 1964	do	do	do	do	1,672,000.00		1,672,000.00
Government life insurance fund:		Redeemable after 1 year from date of issue and payable on June 30:					
Notes:							
3¾% Series 1964	June 30, 1960	1964	do	do	670,000.00		670,000.00
3¾% Series 1965	do	1965	do	do	670,000.00		670,000.00
3½% Series 1964	Feb. 1, 1960	1964	do	do	73,100,000.00		73,100,000.00
Bonds:		On demand; on June 30:					
3¾% Series 1966	June 30, 1960	1966	do	do	670,000.00		670,000.00
3¾% Series 1967	do	1967	do	do	670,000.00		670,000.00
3¾% Series 1968	do	1968	do	do	670,000.00		670,000.00
3¾% Series 1969	do	1969	do	do	670,000.00		670,000.00
3¾% Series 1970	do	1970	do	do	670,000.00		670,000.00
3¾% Series 1971	do	1971	do	do	670,000.00		670,000.00
3¾% Series 1972	do	1972	do	do	670,000.00		670,000.00
3¾% Series 1973	do	1973	do	do	670,000.00		670,000.00
3¾% Series 1974	do	1974	do	do	670,000.00		670,000.00
3¾% Series 1975	do	1975	do	do	73,770,000.00		73,770,000.00
3½% Series 1965	Feb. 1, 1960	1965	do	do	73,100,000.00		73,100,000.00
3½% Series 1966	do	1966	do	do	73,100,000.00		73,100,000.00
3½% Series 1967	do	1967	do	do	73,100,000.00		73,100,000.00
3½% Series 1968	do	1968	do	do	73,100,000.00		73,100,000.00
3½% Series 1969	do	1969	do	do	73,100,000.00		73,100,000.00
3½% Series 1970	do	1970	do	do	73,100,000.00		73,100,000.00
3½% Series 1971	do	1971	do	do	73,100,000.00		73,100,000.00
3½% Series 1972	do	1972	do	do	73,100,000.00		73,100,000.00
3½% Series 1973	do	1973	do	do	73,100,000.00		73,100,000.00
3½% Series 1974	do	1974	do	do	73,100,000.00		73,100,000.00
3½% Series 1976	June 30, 1961	1976	do	do	67,799,000.00		67,799,000.00
3½% Series 1977	June 30, 1963	1977	do	do	49,963,000.00		49,963,000.00

Footnotes at end of table.

TABLE 33.—*Description of public debt issues outstanding June 30, 1963*—Continued

Security and rate of interest	Date of security	When redeemable or payable [1]	Interest payment date	Average price received (per $100)	Amount issued	Amount retired	Amount outstanding [2]
INTEREST-BEARING DEBT [a]—Continued							
Special Issues [h]—Continued							
Highway trust fund:		On demand; on June 30:					
Certificates:							
3⅜% Series 1964	June 30, 1963	1964	June 30–Dec. 31	Par	$677,743,000.00		$677,743,000.00
National service life insurance fund:		Redeemable after 1 year from date of issue and payable on June 30:					
Notes:							
3¾% Series 1964	June 30, 1960	1964	June 30	do	7,873,000.00		7,873,000.00
3¾% Series 1965	do	1965	do	do	7,873,000.00		7,873,000.00
3% Series 1964	Feb. 1, 1960	1964	do	do	379,000,000.00		379,000,000.00
Bonds:		On demand; on June 30:					
3¾% Series 1966	June 30, 1960	1966	do	do	7,873,000.00		7,873,000.00
3¾% Series 1967	do	1967	do	do	7,873,000.00		7,873,000.00
3¾% Series 1968	do	1968	do	do	7,873,000.00		7,873,000.00
3¾% Series 1969	do	1969	do	do	7,873,000.00		7,873,000.00
3¾% Series 1970	do	1970	do	do	7,873,000.00		7,873,000.00
3¾% Series 1971	do	1971	do	do	7,873,000.00		7,873,000.00
3¾% Series 1972	do	1972	do	do	7,873,000.00		7,873,000.00
3¾% Series 1973	do	1973	do	do	7,873,000.00		7,873,000.00
3¾% Series 1974	do	1974	do	do	7,873,000.00		7,873,000.00
3¾% Series 1975	do	1975	do	do	386,873,000.00		386,873,000.00
3⅜% Series 1978	June 30, 1963	1978	do	do	298,259,000.00		298,259,000.00
3¼% Series 1976	June 30, 1962	1976	do	do	43,724,000.00		43,724,000.00
3¼% Series 1977	do	1977	do	do	386,307,000.00		386,307,000.00
3⅛% Series 1976	June 30, 1961	1976	do	do	343,149,000.00		343,149,000.00
3% Series 1965	Feb. 1, 1960	1965	do	do	379,000,000.00		379,000,000.00
3% Series 1966	do	1966	do	do	379,000,000.00		379,000,000.00
3% Series 1967	do	1967	do	do	379,000,000.00		379,000,000.00
3% Series 1968	do	1968	do	do	379,000,000.00		379,000,000.00
3% Series 1969	do	1969	do	do	379,000,000.00		379,000,000.00
3% Series 1970	do	1970	do	do	379,000,000.00		379,000,000.00
3% Series 1971	do	1971	do	do	379,000,000.00		379,000,000.00
3% Series 1972	do	1972	do	do	379,000,000.00		379,000,000.00
3% Series 1973	do	1973	do	do	379,000,000.00		379,000,000.00
3% Series 1974	do	1974	do	do	379,000,000.00		379,000,000.00

Railroad retirement account:	Various dates from:	Redeemable after 1 year from date of issue and payable on June 30:					
Notes:							
3% Series 1965	June 30, 1960	1965	do	do	1,066,645,000.00	$543,984,000.00	522,661,000.00
3% Series 1966	June 30, 1961	1966	do	do	698,618,000.00		698,618,000.00
3% Series 1967	June 30, 1962	1967	do	do	1,052,227,000.00		1,052,227,000.00
3% Series 1968	June 30, 1963	1968	do	do	512,580,000.00		512,580,000.00
Unemployment trust fund:		On demand; on June 30:					
Certificates:							
3¼% Series 1964	do	1964	June 30-Dec. 31	do	4,802,620,000.00		4,802,620,000.00
Veterans' special term insurance fund:							
Certificates:							
3⅜% Series 1964	do	1964	June 30	do	100,588,000.00		100,588,000.00
Total special issues					47,477,840,232.70	2,676,939,257.94	44,800,900,974.76
Total interest-bearing debt outstanding.					449,508,945,633.59	147,552,686,025.38	301,956,259,608.21

Title	Amount outstanding
MATURED DEBT ON WHICH INTEREST HAS CEASED	
Old debt matured (issued prior to Apr. 1, 1917)[21] [b]	[22] $1,509,790.26
2½% postal savings bonds [c]	[22] 388,800.00
First Liberty bonds, at various interest rates [d]	[22] 618,750.00
Other Liberty bonds and Victory notes, at various interest rates [a]	4,718,700.00
Treasury bonds, at various interest rates [a]	54,380,100.00
Adjusted service bonds of 1945 [a]	1,614,150.00
Treasury notes, at various interest rates [a]	34,858,650.00
Treasury savings notes [a]	843,900.00
Treasury notes, tax series [a]	$121,000.00
Certificates of indebtedness, at various interest rates [a]	1,932,000.00
Treasury bills [a]	17,127,000.00
Treasury savings certificates [a]	[22] 71,600.00
U.S. savings bonds [a]	150,641,275.00
Armed Forces leave bonds [a]	7,843,850.00
Total matured debt on which interest has ceased	276,669,565.26

Title	Amount outstanding
DEBT BEARING NO INTEREST	
Special notes of the United States:	
International Monetary Fund series (issued pursuant to the provisions of the Bretton Woods Agreements Act, approved July 31, 1945 (22 U.S.C. 286e), and under the authority of and subject to the provisions of the Second Liberty Bond Act, as amended. The notes are nonnegotiable, bear no interest, and are payable on demand)	$2,922,000,000.00
International Development Association series (issued pursuant to the provisions of the International Development Association Act, approved June 30, 1960 (22 U.S.C. 284e) and under the authority of and subject to the provisions of the Second Liberty Bond Act, as amended. The notes are nonnegotiable, bear no interest, and are payable on demand)	128,956,600.00
Inter-American Development Bank series (issued pursuant to the provisions of the Inter-American Development Bank Act, approved Aug. 7, 1959 (22 U.S.C. 283e), and under the authority of and subject to the provisions of the Second Liberty Bond Act, as amended. The notes are nonnegotiable, bear no interest, and are payable on demand)	125,000,000.00
U.S. savings stamps (Public Debt Act of 1942 (31 U.S.C. 757c))	53,354,587.16

Footnotes at end of table.

TABLE 33.—*Description of public debt issues outstanding June 30, 1963*—Continued

Title	Amount outstanding
DEBT BEARING NO INTEREST—Continued	
Excess profits tax refund bonds were issued under authority of and subject to the provisions of the Second Liberty Bond Act, as amended, and sections 780 to 783, inclusive, of the Internal Revenue Code of 1939, as amended. These bonds did not bear interest and were payable at the option of the owner after Jan. 1, 1946. The first series matured on Dec. 31, 1948, and the second series on Dec. 31, 1949:	
First Series	$391,923.15
Second Series	304,046 34
Total excess profits tax refund bonds	695,969.49
Old demand notes (acts of July 17, 1861 (12 Stat. 259); Aug. 5, 1861 (12 Stat. 313); Feb. 12, 1862 (12 Stat. 338)). (The $60,030,000 issued includes $60,000,000 authorized to be outstanding and amounts issued on deposits including reissues)	[22] 52,917.50
Fractional currency (acts of July 17, 1862 (12 Stat. 592); Mar. 3, 1863 (12 Stat. 711); June 30, 1864 (13 Stat. 220)). (The $368,724,080 issued includes $50,000,000 authorized to be outstanding and amounts issued on deposits including reissues)	[22 23] 1,965,314.82
Legal tender notes (acts of Feb. 25, 1862 (12 Stat. 345); July 11, 1862 (12 Stat. 532); Mar. 3, 1863 (12 Stat. 719); May 31, 1878 (31 U.S.C. 404); Mar. 14, 1900 (31 U.S.C. 408); Mar. 4, 1907 (31 U.S.C. 403)). (Greatest amount ever authorized to be outstanding, $450,000,000)	346,681,016.00
Less gold reserve	156,039,430.93
Total legal tender notes less gold reserve	[22] 190,641,585.07
Old series currency (31 U.S.C. 912–916)	[22 23] 53,058,236.50
National bank notes, redemption account (act of July 14, 1890 (31 U.S.C. 408))	[22 23] 37,233,318.00
Federal Reserve Bank notes, redemption account (act of Dec. 23, 1913 (12 U.S.C. 467))	[22 23] 78,500,789.00
Thrift and Treasury savings stamps	[22] 3,702,214.50
Total debt bearing no interest	3,595,161,532.04
Gross debt (including $29,166,246,924.22 to finance expenditures of Government corporations for which obligations of such corporations are held by the Treasury)	305,828,090,705.51
Guaranteed obligations not owned by the Treasury	606,610,375.00
Total gross public debt and guaranteed obligations	306,434,701,080.51
Deduct debt not subject to statutory limitation [24]	367,743,315.65
Total debt subject to limitation [24]	306,066,957,764.86

[1] Payable on date indicated except where otherwise noted. Where two dates are shown for Treasury bonds, first date is earliest call date and second date is maturity date.

[2] Reconciliation by security classes to the basis of daily Treasury statement is shown in table 32.

[3] Treasury bills are shown at maturity value and are sold on a discount basis with competitive bids for each issue. The average sale price on these series gives an approximate yield on a bank discount basis (360 days a year) as indicated opposite each issue of bills. This yield differs slightly from the yield on a discount basis (365 or 366 days a year) which is shown in the summary table 32.

[4] Of this amount $745,427,300 face amount was issued in exchange for Series F and G savings bonds maturing in the calendar year 1960, and $3,323,700 face amount was issued for cash.

[5] Redeemable, at par and accrued interest to date of payment, at any time upon the death of the owner at the option of the duly constituted representative of the deceased owner's estate, provided entire proceeds of redemption are applied to payment of Federal estate taxes on such estate.

[6] Not called for redemption on first call date. Callable on succeeding interest payment dates.

[7] Of this amount \$320,098,000 face amount was issued in exchange for Series F and G savings bonds maturing in the calendar year 1962, and \$309,000 face amount was issued for cash.

[8] Of this amount \$147,331,500 face amount was issued in exchange for Series F and G savings bonds maturing in the calendar year 1961, and \$365,500 face amount was issued for cash.

[9] Of this amount \$41,313,000 face amount was issued in exchange for Series F and G savings bonds maturing in the calendar years 1963 and 1964, and \$93,000 face amount was issued for cash.

[10] Of this amount \$33,843,000 face amount was issued in exchange for Series F and G savings bonds maturing in the calendar years 1963 and 1964, and \$102,000 face amount was issued for cash.

[11] Redeemable on 2 days' notice in whole or in part for the purpose of purchasing U.S. promissory notes with maturities up to 5 years held by the Export-Import Bank of Washington.

[12] Redeemable on 2 days' notice in whole or in part for the purpose of purchasing U.S. certificates of indebtedness, foreign series, having a maturity of 3 months.

[13] Redeemable on 2 days' notice in whole or in part for the purpose of purchasing U.S. certificates of indebtedness, foreign currency series, having a maturity of 3 months.

[14] Semiannual interest to be added to principal (for redemption values see table in Department Circular, Public Debt Series No. 1-63, exhibit 12).

[15] May be exchanged at option of owner for marketable 1½ percent 5-year Treasury notes, dated April 1 and October 1 immediately preceding the date of exchange.

[16] Includes \$316,389,000 of securities received by Federal National Mortgage Association in exchange for mortgages.

[17] Amounts issued and retired for Series E, F, and J include accrued discount; amounts outstanding are stated at current redemption values. Amounts issued, retired, and outstanding for Series G, H, and K are stated at par value.

[18] At option of owner, bonds dated May 1, 1941, through May 1, 1949, may be held and will accrue interest for additional 20 years; bonds dated on and after June 1, 1949, may be held and will accrue interest for additional 10 years.

[19] Represents a weighted average of the approximate yields of bonds of various issue dates within the yearly series if held to maturity or if held from issue date to end of applicable extension period, computed on the basis of bonds outstanding June 30, 1962. (For details of yields by issue dates, see Treasury Circulars Nos. 653 and 905 revised Sept. 23, 1959, and first amendments thereto dated Mar. 21, 1961, and Aug. 2, 1961, respectively.)

[20] At option of owner, bonds dated June 1, 1952, through Jan. 1, 1957, may be held and will accrue interest for additional 10 years.

[21] For detailed information see 1956 annual report, page 435.

[22] Not subject to the statutory debt limitation.

[23] After deducting amounts officially estimated to have been lost or irrevocably destroyed.

[24] For statutory limit on the public debt, see tables 37 and 38.

AUTHORIZING ACTS:

(a) Sept. 24, 1917, as amended.
(b) Various.
(c) June 25, 1910.
(d) Apr. 24, 1917.

TAX STATUS:

(e) Treasury bills are not considered capital assets under the Internal Revenue Code of 1954. The difference between the price paid for the bills and the amount actually received upon their sale or redemption at maturity for Federal income tax purposes is to be treated as an ordinary gain or loss for the taxable year in which the transaction occurs.

(f) Income derived from these securities is subject to all taxes now or hereafter imposed under the Internal Revenue Code of 1954.

(g) Any gain or loss derived from the exchange of the following securities will be taken into account for Federal income tax purposes upon the disposition or redemption of the new obligations:

New security	*Effective date of exchange*	*Security exchanged*
3¾% Notes D-1964 3⅞% Bonds 1968	June 23, 1960	2½% Bonds 1961
3½% Bonds 1980	Oct. 3, 1960	2½% Bonds 1962-67
3½% Bonds 1990	Oct. 3, 1960	2½% Bonds 1963-68
2½% Bonds 1998	Oct. 3, 1960	2½% Bonds June 15, 1964-69 2½% Bonds Dec. 15, 1964-69
3⅜% Bonds 1966	Mar. 15, 1961	2½% Bonds 1963
3⅝% Bonds 1967	Mar. 15, 1961	2¼% Bonds June 15, 1959-62 2¼% Bonds Dec. 15, 1959-62 2⅝% Notes A-1963
3½% Bonds 1980 3½% Bonds 1990 3½% Bonds 1998	Sept. 15, 1961	2½% Bonds 1965-70 2½% Bonds 1966-71
4% Bonds 1971	Mar. 1, 1962	3% Bonds 1964 2⅝% Bonds 1965
4% Bonds 1980	Mar. 1, 1962	2⅝% Bonds 1965
3½% Bonds 1990 3½% Bonds 1998	Mar. 1, 1962	2½% Bonds Sept. 15, 1967-72 2½% Bonds June 15, 1967-72 2½% Bonds Dec. 15, 1967-72
3¾% Notes A-1967 4% Bonds 1972 (9-15-62)	Sept. 15, 1962	3½% Certificates A-1963 2⅝% Notes A-1963 3¼% Notes E-1963 3¼% Certificates B-1963 3¼% Notes D-1963 4% Notes B-1963
3⅝% Notes B-1967 3⅞% Bonds 1971	Mar. 15, 1963	3½% Certificates C-1963 3⅛% Certificates D-1963 2½% Bonds 1963 3% Bonds 1964
3⅞% Bonds 1974 4% Bonds 1980	Mar. 15, 1963	3½% Notes B-1965 3⅝% Notes B-1966 3½% Certificates C-1963 3⅛% Certificates D-1963 3⅜% Bonds 1966 2½% Bonds 1963 3% Bonds 1964 3% Bonds 1966 3⅜% Bonds 1966

(h) These issues, being investments of various Government funds and payable only for the account of such funds, have no present tax liability.

MEMORANDUM RELATING TO OTHER OBLIGATIONS:

Obligations of the United States payable on presentation:	
U.S. registered interest checks payable	\$765,692,943.93
U.S. interest coupons due and outstanding	94,749,514.07
Interest payable with and accrued discount added to principal of U.S. securities	5,917,359.57
Total	866,359,817.57

TABLE 34.—*Description of guaranteed obligations held outside the Treasury, June 30, 1963*

[On basis of daily Treasury statements, see "Bases of Tables"]

Security	Rate of interest	Amount
UNMATURED OBLIGATIONS		
District of Columbia Armory Board Stadium bonds of 1970-79 issued under the act of September 7, 1957, as amended (2 D.C. Code 1722-1727) [1 2]	*Percent* 4.20	$19,800,000.00
Federal Housing Administration debentures issued under the act of June 27, 1934, as amended (12 U.S.C. 1701-1750g): [3 4]		
Mutual mortgage insurance fund:		
Series AA	2½	1,014,200.00
Series AA	2⅝	1,002,600.00
Series AA	2¾	660,000.00
Series AA	2⅞	2,474,850.00
Series AA	3	2,112,550.00
Series AA	3⅛	6,702,200.00
Series AA	3¼	1,813,350.00
Series AA	3⅜	6,770,300.00
Series AA	3½	25,154,100.00
Series AA	3¾	43,112,550.00
Series AA	3⅞	19,160,650.00
Series AA	4	9,277,250.00
Series AA	4⅛	208,807,400.00
Armed services housing mortgage insurance fund:		
Series FF	2½	906,850.00
Series FF	2¾	4,969,600.00
Series FF	3⅛	10,400.00
Series FF	3¼	8,900.00
Series FF	3⅜	24,000.00
Series FF	3½	136,600.00
Series FF	3¾	673,150.00
Series FF	3⅞	25,600.00
Series FF	4	16,900.00
Series FF	4⅛	9,229,250.00
Housing insurance fund:		
Series BB	2½	3,175,350.00
Series BB	2⅝	20,500.00
Series BB	2¾	5,534,450.00
Series BB	3	33,300.00
Series BB	3⅛	2,616,000.00
Series BB	3¼	1,188,000.00
Series BB	3⅜	1,865,250.00
Series BB	3½	13,095,150.00
Series BB	3¾	7,132,850.00
Series BB	3⅞	1,098,100.00
Series BB	4	440,050.00
Series BB	4⅛	27,246,050.00
National defense housing insurance fund:		
Series GG	2½	46,283,000.00
Series GG	2⅝	1,976,400.00
Series GG	2¾	43,763,600.00
Series GG	2⅞	5,117,400.00
Series GG	3	177,450.00
Series GG	3¼	303,750.00
Series GG	3⅜	9,050.00
Series P	2½	493,750.00
Section 203 home improvement account:		
Series HH	3¾	2,500.00
Section 220 housing insurance fund:		
Series CC	3⅜	9,340,000.00
Series CC	3⅞	7,200.00
Series CC	4⅛	12,450.00
Section 221 housing insurance fund:		
Series DD	3⅛	9,150.00
Series DD	3¼	8,400.00
Series DD	3⅜	1,162,100.00
Series DD	3½	7,891,100.00
Series DD	3¾	3,714,050.00
Series DD	3⅞	1,535,400.00
Series DD	4	534,100.00
Series DD	4⅛	21,703,200.00
Servicemen's mortgage insurance fund:		
Series EE	2⅝	51,450.00
Series EE	2⅞	296,600.00
Series EE	3	334,550.00
Series EE	3⅛	1,327,300.00
Series EE	3¼	312,350.00

Footnotes at end of table.

TABLE 34.—*Description of guaranteed obligations held outside the Treasury, June 30, 1963*—Continued

Security	Rate of interest	Amount
UNMATURED OBLIGATIONS—Continued		
Federal Housing Administration debentures issued under the act of June 27, 1934, as amended (12 U.S.C. 1701-1750g):[3][4]—Continued		
Servicemen's mortgage insurance fund—Continued	*Percent*	
Series EE	3⅜	$1,106,150.00
Series EE	3½	2,270,050.00
Series EE	3¾	3,527,600.00
Series EE	3⅞	1,593,600.00
Series EE	4	285,650.00
Series EE	4⅛	11,640,250.00
Title I housing insurance fund:		
Series L	2½	32,650.00
Series R	2¾	59,450.00
Series T	3	430,600.00
War housing insurance fund:		
Series H	2½	10,869,000.00
Subtotal		[5] 585,680,600.00
Total unmatured obligations		605,489,600.00
MATURED OBLIGATIONS[6]		
Commodity Credit Corporation, interest		11.25
District of Columbia Armory Board, interest		12,117.00
Federal Farm Mortgage Corporation:		
Principal		161,300.00
Interest		37,733.57
Federal Housing Administration:		
Principal		668,600.00
Interest		12,780.31
Home Owners' Loan Corporation:		
Principal		290,875.00
Interest		70,061.83
Reconstruction Finance Corporation, interest		19.25
Total matured obligations (principal and interest)		1,253,498.21
Total obligations		606,743,098.21

[1] Issued on June 1, 1960, at a price to yield 4.1879 percent, but sale was not consummated until Aug. 2, 1960. Interest is payable semiannually on June 1 and Dec. 1. These bonds are redeemable on and after June 1, 1970, and mature on Dec. 1, 1979.

[2] The securities and the income derived therefrom, and gain from the sale or other disposition thereof or transfer as by inheritance or gift, are subject to taxation by the United States, but are exempt both as to principal and interest from all taxation, except estate and inheritance taxes, imposed by the District of Columbia.

[3] Issued and payable on various dates. Interest is payable semiannually on Jan. 1 and July 1. All unmatured debentures are redeemable on any interest day or days, on 3 months' notice.

[4] Under the Public Debt Act of 1941 (31 U.S.C. 742a), income or gain derived from these securities is subject to all Federal taxes now or hereafter imposed. The securities are subject to surtaxes, estate, inheritance, gift, or other excise taxes, whether Federal or State, but are exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, municipality, or local taxing authority. Debentures issued on contracts entered into before Mar. 1, 1941, are exempt from all taxation except surtaxes, estate, inheritance, and gift taxes.

[5] Includes debentures called for redemption on July 1, 1963, at par plus accrued interest, as follows: Series AA, $10,336,800; Series CC, $9,500; Series EE, $1,569,300; Series FF, $7,650; Series L, $8,150; Series R, $7,700; Series T, $99,800; and Series H, $1,171,650.

[6] Funds are on deposit with the Treasurer of the United States for payment of principal of $1,120,775 and interest of $132,723.21.

NOTE.—For obligations held by the Treasury, see table 111.

TABLE 35.—*Postal savings systems' deposits and Federal Reserve notes outstanding, June 30, 1946–63*

[Face amount in thousands of dollars. On basis of reports received by the Treasury]

June 30	Deposits in postal savings systems [1]			Federal Reserve notes [4]
	U.S. Postal Savings System [2]	Canal Zone Postal Savings System [3]	Total	
1946	3,119,656	9,612	3,129,268	23,434,613
1947	3,392,773	9,602	3,402,375	23,444,193
1948	3,379,130	9,129	3,388,259	23,136,167
1949	3,277,402	8,943	3,286,346	22,783,823
1950	3,097,316	8,643	3,105,959	22,398,284
1951	2,788,199	7,044	2,795,244	22,975,292
1952	2,617,564	7,005	2,624,569	24,135,367
1953	2,457,548	6,848	2,464,396	25,040,465
1954	2,251,419	6,506	2,257,926	24,726,731
1955	2,007,996	6,290	2,014,286	25,030,031
1956	1,765,470	6,313	1,771,783	25,523,779
1957	1,462,268	6,139	1,468,408	25,836,574
1958	1,212,672	5,713	1,218,385	25,862,932
1959	1,041,792	5,492	1,047,284	26,479,923
1960	835,800	5,067	840,867	26,569,479
1961	699,528	4,695	704,223	26,735,869
1962	581,177	4,275	585,452	27,852,820
1963	[5] 483,504	[6] 4,023	487,527	[7] 92,379,114

[1] The faith of the United States is solemnly pledged to the payment of deposits (plus accrued interest at the rate of 2 percent) made in postal savings depositary offices. Interest is payable quarterly from the first day of the month next following date of deposit, and on deposits made after Mar. 1, 1941, under the Public Debt Act of 1941 (31 U.S.C. 742(a)), is subject to all Federal taxes.

[2] Established by the act of June 25, 1910, as amended (39 U.S.C. 5201–5224).

[3] Established by the act of June 13, 1940, as amended (2 Canal Zone Code 1131–1143).

[4] Authority for the issuance of Federal Reserve notes was given under the act of Dec. 23, 1913, as amended (12 U.S.C. 411–416). The notes are obligations of the United States and are receivable by all national and member banks and Federal Reserve Banks and for all taxes, customs, and other public dues. They are redeemable in lawful money on demand at the Treasury Department, Washington, D.C., or at any Federal Reserve Bank.

[5] Funds due depositors on June 30, 1963, including interest of $58,144,005 totaling $541,647,536, are offset by cash in designated depositary banks amounting to $17,394,771, which is secured by the pledge of collateral as provided in the regulations of the Postal Savings System, having a face value of $16,953,500; Government securities with a face value of $502,866,000; and cash in possession of the System and other net assets of $21,386,765.

[6] Funds due depositors on June 30, 1963, including interest of $247,770 totaling $4,271,070, are offset by Government securities having a face value of $4,400,000 and other assets.

[7] In actual circulation, exclusive of $1,291,576,899 redemption fund deposited in the Treasury and $1,344,125,720 of their own Federal Reserve notes held by the issuing banks. Also excludes $17,995,238 held by the Treasurer of the United States for the redemption of all series of Federal Reserve notes before Series of 1928. See table 61, footnote 9. The collateral security for Federal Reserve notes issued consists of $7,243,000 in gold certificates and in credits with the Treasurer of the United States payable in gold certificates, $25,674,000,000 face amount of U.S. Government securities, and $23,254,000 face amount of commercial paper. Notes issued by a Federal Reserve Bank are a first lien against the assets of such Bank.

TABLE 36.—*Deposits to the Treasury by the Federal Reserve Banks representing interest on Federal Reserve notes, fiscal years 1947–63*

Federal Reserve Bank	1947–60	1961	1962	1963	Cumulative through 1963
Boston	$277,478,909.73	$41,194,897.08	$36,074,382.32	$38,901,283.76	$393,649,472.89
New York	1,221,573,366.65	212,079,944.17	188,290,233.02	216,680,578.14	1,838,624,121.98
Philadelphia	306,324,768.47	45,886,308.09	41,786,811.68	46,988,497.86	440,986,386.10
Cleveland	426,069,833.94	66,597,471.42	59,065,526.95	68,778,971.52	620,511,803.83
Richmond	304,800,725.52	49,090,076.11	45,516,092.75	53,324,241.72	452,731,136.10
Atlanta	242,796,538.15	39,571,839.00	38,261,170.62	39,412,461.36	360,042,009.13
Chicago	841,320,421.33	139,200,110.57	130,138,661.07	146,169,908.00	1,256,829,100.97
St. Louis	210,068,368.46	29,706,375.68	26,509,199.66	31,823,672.41	298,107,616.21
Minneapolis	117,488,500.61	16,489,015.59	13,177,153.54	14,250,491.80	161,405,161.54
Kansas City	208,116,637.54	32,574,465.45	30,549,419.77	33,045,730.25	304,286,253.01
Dallas	174,372,623.08	29,729,590.74	25,164,979.99	30,648,878.58	259,916,072.39
San Francisco	488,588,632.27	86,009,391.12	83,816,857.01	108,461,062.33	766,875,942.73
Total	4,818,999,325.75	788,129,485.02	718,350,488.38	828,485,777.73	7,153,965,076.88

NOTE.—Pursuant to section 16 of the Federal Reserve Act, as amended (12 U.S.C. 414). Through 1959, consisted of approximately 90 percent of earnings of the Federal Reserve Banks after payment of necessary expenses and statutory dividends, and after provisions for restoring the surplus of each Bank to 100 percent of subscribed capital where it fell below that amount. Beginning in 1960, pursuant to a decision by the Board of Governors of the Federal Reserve System, consists of all net earnings after dividends and after provision for building up surplus to 100 percent of subscribed capital at those Banks where surplus is below that amount and also of the amounts by which surplus at the other Banks exceeds subscribed capital.

TABLE 37.—*Statutory limitation on the public debt and guaranteed obligations, June 30, 1963*

[In millions of dollars]

PART I.—STATUS UNDER LIMITATION, JUNE 30, 1963

Maximum amount of securities which may be outstanding at any one time under limitation imposed by section 21 of Second Liberty Bond Act, as amended [1]	307,000
Amount of securities outstanding subject to such statutory debt limitation:	
U.S. Government securities issued under the Second Liberty Bond Act, as amended	305,492
Guaranteed obligations held outside the Treasury	607
Total	306,099
Balance issuable under limitation	901

PART II.—APPLICATION OF LIMITATION TO PUBLIC DEBT AND GUARANTEED OBLIGATIONS OUTSTANDING JUNE 30, 1963

Class of security	Subject to statutory debt limitation	Not subject to statutory debt limitation	Total outstanding
Public debt:			
Interest-bearing securities:			
Marketable:			
Treasury bills	47,230		47,230
Certificates of indebtedness	22,169		22,169
Treasury notes	52,145		52,145
Treasury bonds	81,964		81,964
Total marketable	203,508		203,508
Nonmarketable:			
Certificates of indebtedness, foreign series	465		465
Certificates of indebtedness, foreign currency series	25		25
Treasury notes, foreign series	183		183
Treasury bonds, foreign currency series	604		604
Treasury certificates	3		3
U.S. savings bonds (current redemption value)	48,314		48,314
U.S. retirement plan bonds	(*)		(*)
Depositary bonds	103		103
Treasury bonds, R.E.A. series	27		27
Treasury bonds, investment series	3,921		3,921
Total nonmarketable	53,645		53,645
Special issues to Government agencies and trust funds	44,801		44,801
Total interest-bearing securities	301,954		301,954
Matured debt on which interest has ceased	307	3	310
Debt bearing no interest:			
U.S. savings stamps	54		54
Excess profits tax refund bonds	1		1
Special notes of the United States:			
International Monetary Fund Series	2,922		2,922
International Development Association Series	129		129
Inter-American Development Bank Series	125		125
U.S. notes (less gold reserve)		191	191
Deposits for retirement of national bank and Federal Reserve Bank notes		116	116
Other debt bearing no interest		59	59
Total debt bearing no interest	3,231	365	3,595
Total public debt [2]	305,492	368	305,860
Guaranteed obligations held outside the Treasury:			
Interest-bearing	605		605
Matured	1		1
Total guaranteed obligations	607		607
Total public debt and guaranteed obligations	306,099	368	306,466

*Less than $500,000.

[1] The following table details amendments to the act.

[2] Includes public debt incurred to finance expenditures of certain wholly owned Government corporations and other business-type activities in exchange for which obligations of the corporations and activities were issued to the Treasury. See table 111.

TABLE 38.—*Debt limitation under the Second Liberty Bond Act, as amended, 1917–63*

Enactment date and statute	Provisions of legislation	Amount and kind of limitation
Sept. 24, 1917:		
(40 Stat. 288)	Sec. 1 authorized bonds in the amount of	[1] $7,538,945,460
(40 Stat. 290)	Sec. 5 authorized certificates of indebtedness outstanding at any one time (revolving authority)	[2] 4,000,000,000
Apr. 4, 1918:		
(40 Stat. 502)	Sec. 1 amended to increase authorized amount of bonds to	[1] 12,000,000,000
(40 Stat. 504)	Sec. 5 amended to increase authorized amount of certificates outstanding to	[2] 8,000,000,000
July 9, 1918 (40 Stat. 844)	Sec. 1 amended to increase authorized amount of bonds to	[1] 20,000,000,000
Mar. 3, 1919:		
(40 Stat. 1311)	Sec. 5 amended to increase authorized amount of certificates outstanding to	[2] 10,000,000,000
(40 Stat. 1309)	Sec. 18 (new) authorized notes in the amount of	[1] 7,000,000,000
Nov. 23, 1921 (42 Stat. 321)	Sec. 18 amended to establish revolving authority for the issuance of notes and limited amount outstanding at any one time to	[2] 7,500,000,000
June 17, 1929 (46 Stat. 19)	Sec. 5 amended to authorize issuance of Treasury bills, as well as certificates of indebtedness, and limited amount of both outstanding at any one time to	[2] 10,000,000,000
Mar. 3, 1931 (46 Stat. 1506)	Sec. 1 amended to increase authorized amount of bonds to	[1] 28,000,000,000
Jan. 30, 1934 (48 Stat. 343)	Sec. 18 amended to increase authorized amount of notes outstanding to	[2] 10,000,000,000
Feb. 4, 1935:		
(49 Stat. 20)	Sec. 1 amended to establish revolving authority for the issuance of bonds and limited the amount outstanding at any one time to	[2] 25,000,000,000
(49 Stat. 21)	Sec. 21 (new) consolidated limitation on issuance of bills and certificates (sec. 5) and limitation on issuance of notes (sec. 18). Aggregate amount outstanding of securities under both sections	[2] 20,000,000,000
Do	Sec. 22 (new) authorized issuance of U.S. savings bonds, the amount issued to be included in the limitation in sec. 1.	
May 26, 1938 (52 Stat. 447)	Secs. 1 and 21 amended to consolidate in sec. 21 all limitations on bills, certificates, notes, and bonds; limited bonds outstanding to $30 billion, and aggregate total to	[2] 45,000,000,000
June 20, 1939 (53 Stat. 1071)	Sec. 21 amended to remove limitation on bonds without changing limitation on aggregate total of	[2] 45,000,000,000
June 25, 1940 (54 Stat. 526)	Sec. 21 amended to insert "(a)" after 21, and to add at end of sec. 21(a): "(b) In addition to the amount authorized by the preceding paragraph of this section, any obligations authorized by sections 5 and 18 of this act, as amended, not to exceed in the aggregate $4,000,000,000 outstanding at any one time, less any retirements made from the special fund made available under section 301 of the Revenue Act of 1940, may be issued under said sections to provide the Treasury with funds to meet any expenditures made, after June 30, 1940, for the national defense, or to reimburse the general fund of the Treasury therefor. Any such obligations so issued shall be designated 'National Defense Series'."	[2] 4,000,000,000
Feb. 19, 1941 (55 Stat. 7)	Sec. 21 amended to eliminate separate authority for $4 billion of National Defense Series obligations and provided that the face amount of obligations issued under this act outstanding at any one time shall not exceed in the aggregate	[2] 65,000,000,000
Mar. 28, 1942 (56 Stat. 189)	Sec. 21 amended to increase limitation on aggregate outstanding at any one time to	[2] 125,000,000,000
Apr. 11, 1943 (57 Stat. 63)	Sec. 21 amended to increase limitation on aggregate outstanding at any one time to	[2] 210,000,000,000
June 9, 1944 (58 Stat. 272)	Sec. 21 amended to increase limitation on aggregate outstanding at any one time to	[2] 260,000,000,000
Apr. 3, 1945 (59 Stat. 47)	Sec. 21 amended to provide that the face amount of obligations issued under this act and the face amount of obligations guaranteed as to principal and interest (except such guaranteed obligations as may be held by the Secretary of the Treasury) outstanding at any one time shall not exceed in the aggregate	[2] 300,000,000,000

Footnotes at end of table.

TABLE 38.—*Debt limitation under the Second Liberty Bond Act, as amended, 1917–63*—Continued

Enactment date and statute	Provisions of legislation	Amount and kind of limitation
June 26, 1946 (60 Stat. 316)	Sec. 21 amended to add: "The current redemption value of any obligation issued on a discount basis which is redeemable prior to maturity at the option of the holder thereof shall be considered, for the purposes of this section, to be the face amount of such obligation." Amendment decreased the limitation to	[2] $275,000,000,000
Aug. 28, 1954 (68 Stat. 895)	Sec. 21 amended, effective Aug. 28, 1954, and ending June 30, 1955, to increase the limitation temporarily by $6 billion to	[2] 281,000,000,000
June 30, 1955 (69 Stat. 241)	Sec. 21 act of Aug. 28, 1954, amended to extend until June 30, 1956, the increase in limitation to	[2] 281,000,000,000
July 9, 1956 (70 Stat. 519)	Sec. 21 act of Aug. 28, 1954, amended to increase the limitation temporarily, beginning July 1, 1956, and ending June 30, 1957, by $3 billion to	[2] 278,000,000,000
	Temporary increase terminated June 30, 1957; and the limitation on the aggregate outstanding at any one time reverted to that under the act of June 26, 1946 (60 Stat. 316)	[2] 275,000,000,000
Feb. 26, 1958 (72 Stat. 27)	Sec. 21 amended to increase the limitation temporarily, beginning Feb. 26, 1958, and ending June 30, 1959, by $5 billion to	[2] 280,000,000,000
Sept. 2, 1958 (72 Stat. 1758)	Sec. 21 amended, effective Sept. 2, 1958, to increase the limitation on the aggregate amount outstanding at any one time to	[2] 283,000,000,000
	The increase in the limitation on the aggregate outstanding, together with the temporary increase of $5 billion beginning Feb. 26, 1958, and ending June 30, 1959, provided an operating limitation of	[2] 288,000,000,000
June 30, 1959 (73 Stat. 156–7)	Sec. 21 amended, effective June 30, 1959, to increase the limitation on the aggregate amount outstanding to	[2] 285,000,000,000
	With the temporary increase of $5 billion, act of Feb. 26, 1958 (72 Stat. 27), which ended June 30, 1959, the operating limitation on June 30, 1959, was	[2] 290,000,000,000
	Sec. 21 amended also to increase the limitation temporarily, beginning July 1, 1959, and ending June 30, 1960, by $10 billion, providing an operating limitation of	[2] 295,000,000,000
June 30, 1960 (74 Stat. 290)	Sec. 21 amended to increase the limitation temporarily, beginning July 1, 1960, and ending June 30, 1961, by $8 billion, providing an operating limitation of	[2] 293,000,000,000
June 30, 1961 (75 Stat. 148)	Sec. 21 amended to increase the limitation temporarily, beginning July 1, 1961, and ending June 30, 1962, by $13 billion, providing an operating limitation of	[2] 298,000,000,000
Mar. 13, 1962 (76 Stat. 23)	Sec. 21 amended to increase the limitation temporarily, beginning Mar. 13, 1962, and ending June 30, 1962, by $2 billion, providing an operating limitation of	[2] 300,000,000,000
July 1, 1962 (76 Stat. 124)	Sec. 21 amended to increase the limitation temporarily as follows:	
	Beginning July 1, 1962, through Mar. 31, 1963, to $308 billion	[2] 308,000,000,000
	Beginning Apr. 1, 1963, through June 24, 1963, to $305 billion	[2] 305,000,000,000
	Beginning June 25, 1963, through June 30, 1963, to $300 billion	[2] 300,000,000,000
May 29, 1963 (77 Stat. 50)	Sec. 21 amended to increase the limitation temporarily, as follows:	
	Beginning May 29, 1963, through June 30, 1963, to $307 billion (in lieu of act of July 1, 1962, above)	[2] 307,000,000,000
	Beginning July 1, 1963, through Aug. 31, 1963, to $309 billion	[2] 309,000,000,000

[1] Limitation on issue.
[2] Limitation on outstanding.
[3] Limitation on issues less retirements.

II.—Operations

TABLE 39.—*Public debt receipts and expenditures by classes, monthly for fiscal year 1963 and totals for 1962 and 1963*

[On basis of daily Treasury statements, see "Bases of Tables"]

Receipts (issues)	Fiscal year 1963						
	July 1962	August 1962	September 1962	October 1962	November 1962	December 1962	January 1963
Public issues:							
Marketable obligations:							
Treasury bills:							
Regular weekly	$7,529,967,000.00	$9,299,599,000.00	$7,498,758,000.00	$7,536,820,000.00	[1] $10,495,752,000.00	$7,962,350,000.00	$9,797,151,000.00
Tax anticipation				3,005,221,000.00			
Other	1,987,341,000.00			2,310,069,000.00			2,457,503,000.00
Certificates of indebtedness		3,069,690,000.00					
Treasury notes							
Treasury bonds		2,195,247,000.00				193,500.00	250,001,000.00
Subtotal	9,517,308,000.00	14,564,536,000.00	7,498,758,000.00	12,852,110,000.00	10,495,752,000.00	7,962,543,500.00	12,504,655,000.00
Exchanges:							
Treasury bills:							
Regular weekly	475,657,000.00	708,604,000.00	506,615,000.00	467,850,000.00	715,556,000.00	452,153,000.00	709,681,000.00
Tax anticipation							
Other	16,250,000.00			190,034,000.00			38,648,000.00
Certificates of indebtedness		3,781,974,000.00			4,855,672,000.00	−8,000.00	
Treasury notes	13,519,000.00	67,982,000.00	5,352,296,000.00	75,217,000.00	3,294,848,000.00	25,934,000.00	17,135,000.00
Treasury bonds	−345,000.00	13,468,000.00	2,578,931,000.00	349,000.00	2,343,007,500.00	73,134,000.00	1,776,000.00
Subtotal	505,081,000.00	4,572,028,000.00	8,437,842,000.00	733,450,000.00	11,209,083,500.00	551,213,000.00	767,240,000.00
Total marketable	10,022,389,000.00	19,136,564,000.00	15,936,600,000.00	13,585,560,000.00	21,704,835,500.00	8,513,756,500.00	13,271,895,000.00
Nonmarketable obligations:							
Adjusted service bonds							
Certificates of indebtedness:							
Foreign series	60,000,000.00		450,000,000.00	60,000,000.00		300,000,000.00	40,000,000.00
Foreign currency series	24,978,250.00	74,934,750.00	49,956,500.00	47,904,975.00			
Depositary bonds	831,000.00	1,670,000.00	912,000.00	262,000.00	1,031,000.00	16,993,000.00	98,000.00
Treasury notes, foreign series							183,000,000.00
Treasury bonds, foreign currency series				48,116,875.00	152,743,912.50	49,933,250.00	129,950,750.00
Treasury bonds, R.E.A. series	246,000.00	296,000.00	167,000.00	164,000.00	614,000.00	2,102,000.00	340,000.00
U.S. retirement plan bonds							1,950.00
1% Treasury certificates							

Receipts (issues)	Fiscal year 1963					Total fiscal year 1963	Total fiscal year 1962
	February 1963	March 1963	April 1963	May 1963	June 1963		
Public issues:							
Marketable obligations:							
Treasury bills:							
Regular weekly	$7,847,181,000.00	$7,670,136,000.00	$7,900,187,000.00	$9,796,348,000.00	$7,758,292,000.00	[1]$101,092,541,000.00	$84,435,963,000.00
Tax anticipation	1,000,684,000.00	1,502,258,000.00				5,508,163,000.00	7,647,697,000.00
Other			2,416,618,000.00			9,171,531,000.00	7,769,757,000.00
Certificates of indebtedness						3,069,690,000.00	
Treasury notes							2,294,644,000.00
Treasury bonds			300,000,500.00		1,905,712,000.00	4,651,154,000.00	2,372,184,000.00
Subtotal	8,847,865,000.00	9,172,394,000.00	10,616,805,500.00	9,796,348,000.00	9,664,004,000.00	123,493,079,000.00	104,520,245,000.00
Exchanges:							
Treasury bills:							
Regular weekly	557,035,000.00	735,203,000.00	506,208,000.00	717,016,000.00	648,760,000.00	7,200,338,000.00	7,635,315,000.00
Tax anticipation							168,030,000.00
Other			84,145,000.00			329,077,000.00	239,231,000.00
Certificates of indebtedness	6,741,213,000.00	1,000.00		5,693,160,000.00		21,072,012,000.00	13,547,047,000.00
Treasury notes	45,369,000.00	4,437,347,000.00	207,362,000.00	3,294,673,000.00	18,619,000.00	16,850,301,000.00	23,321,644,000.00
Treasury bonds	2,489,832,000.00	3,719,295,500.00	136,500.00	40,000.00		11,219,624,500.00	14,134,243,000.00
Subtotal	9,833,449,000.00	8,891,846,500.00	797,851,500.00	9,704,889,000.00	667,379,000.00	56,671,352,500.00	59,045,510,000.00
Total marketable	18,681,314,000.00	18,064,240,500.00	11,414,657,000.00	19,501,237,000.00	10,331,383,000.00	180,164,431,500.00	163,565,755,000.00
Nonmarketable obligations:							
Adjusted service bonds							1,800.00
Certificates of indebtedness:							
Foreign series		207,500,000.00	37,500,000.00	125,000,000.00	325,000,000.00	1,605,000,000.00	2,485,000,000.00
Foreign currency series						197,774,475.00	219,296,750.00
Depositary bonds	155,000.00	2,281,000.00	1,606,000.00	43,000.00	852,000.00	26,734,000.00	56,232,500.00
Treasury notes, foreign series						183,000,000.00	
Treasury bonds, foreign currency series	99,940,000.00	24,962,750.00	70,659,598.76	53,218,177.07	74,773,268.15	704,298,581.48	
Treasury bonds, R.E.A. series	180,000.00	338,000.00	3,655,000.00	689,000.00	410,000.00	9,201,000.00	6,585,000.00
U.S. retirement plan bonds	52,650.00	34,700.00	47,350.00	21,150.00	27,550.00	185,350.00	
1% Treasury certificates					2,500,000.00	2,500,000.00	

Footnotes at end of table.

TABLE 39.—*Public debt receipts and expenditures by classes, monthly for fiscal year 1963 and totals for 1962 and 1963*—Continued

Receipts (issues)	Fiscal year 1963						
	July 1962	August 1962	September 1962	October 1962	November 1962	December 1962	January 1963
Public issues—Continued							
Nonmarketable obligations—Con.							
U.S. savings bonds:							
Issue price	$357,612,636.05	$360,057,049.46	$300,462,673.94	$358,843,330.65	$326,707,284.70	$294,514,737.70	$524,045,540.76
Accrued discount	136,067,924.87	107,692,376.72	114,777,719.95	109,205,110.62	109,031,592.00	130,912,555.94	138,086,164.24
Exchanges, Series H	17,695,500.00	14,831,000.00	12,309,000.00	14,227,000.00	13,195,000.00	11,636,500.00	25,595,000.00
U.S. savings stamps	696,082.30	498,634.75	731,137.80	1,561,547.10	1,663,041.55	1,700,752.05	1,656,557.80
Total nonmarketable	598,127,393.22	559,979,810.93	929,316,031.69	640,284,838.37	604,985,830.75	807,792,795.69	1,042,773,962.80
Total public issues	10,620,516,393.22	19,696,543,810.93	16,865,916,031.69	14,225,844,838.37	22,309,821,330.75	9,321,549,295.69	14,314,668,962.80
Special issues:							
Civil service retirement fund	148,414,000.00	158,350,000.00	137,009,000.00	170,664,000.00	161,580,000.00	143,388,000.00	167,308,000.00
Exchange Stabilization Fund	-----	-----	-----	-----	-----	-----	-----
Federal Deposit Insurance Corporation	67,300,000.00	246,000,000.00	-----	4,500,000.00	13,000,000.00	4,500,000.00	43,371,000.00
Federal disability insurance trust fund	30,573,000.00	139,875,000.00	94,443,000.00	50,279,000.00	95,563,000.00	64,623,000.00	33,194,000.00
Federal home loan banks	180,500,000.00	74,000,000.00	62,200,000.00	429,000,000.00	89,000,000.00	53,800,000.00	429,300,000.00
Federal Housing Administration funds	-----	-----	-----	-----	-----	-----	18,900,000.00
Federal old-age and survivors insurance trust fund	311,927,000.00	1,905,822,000.00	807,112,000.00	524,329,000.00	1,318,204,000.00	817,651,000.00	315,861,000.00
Federal Savings and Loan Insurance Corporation	42,000,000.00	126,000,000.00	-----	2,000,000.00	9,000,000.00	3,000,000.00	12,000,000.00
Foreign service retirement fund	448,000.00	522,000.00	533,000.00	615,000.00	541,000.00	693,000.00	501,000.00
Government life insurance fund	475,000.00	-----	-----	-----	-----	-----	-----
Highway trust fund	889,000.00	32,000.00	51,520,000.00	262,000.00	326,000.00	5,387,000.00	17,400,000.00
National service life insurance fund	201,000.00	400,000.00	-----	1,000,000.00	3,000,000.00	-----	-----
Postal savings system	-----	-----	-----	-----	-----	-----	-----
Railroad retirement account	16,929,000.00	92,722,000.00	34,055,000.00	23,033,000.00	80,896,000.00	23,183,000.00	42,864,000.00
Unemployment trust fund	123,642,000.00	820,332,000.00	68,992,000.00	67,296,000.00	478,723,000.00	140,090,000.00	65,552,000.00
Veterans' special term insurance fund	1,244,000.00	1,561,000.00	950,000.00	1,457,000.00	1,061,000.00	1,250,000.00	2,552,000.00
Total special issues	924,542,000.00	3,565,616,000.00	1,256,814,000.00	1,274,435,000.00	2,250,894,000.00	1,257,565,000.00	1,148,803,000.00
Other obligations:							
International Monetary Fund notes	295,000,000.00	45,000,000.00	-----	15,000,000.00	10,000,000.00	-----	-----
International Development Association notes	-----	-----	-----	-----	57,652,200.00	-----	-----

Receipts (issues)	Fiscal year 1963					Total fiscal year 1963	Total fiscal year 1962
	February 1963	March 1963	April 1963	May 1963	June 1963		
Public issues—Continued							
Nonmarketable obligations—Con.							
U.S. savings bonds:							
Issue price	$424,545,622.45	$396,314,357.06	$413,360,820.34	$409,362,985.24	$346,295,538.83	$4,512,122,577.18	$4,410,965,589.00
Accrued discount	110,011,007.70	111,900,922.34	107,202,385.07	107,510,082.22	125,650,326.08	1,408,048,167.75	1,358,386,957.97
Exchanges, Series H	16,472,500.00	17,642,500.00	19,337,000.00	18,029,000.00	16,279,000.00	197,249,000.00	229,144,000.00
U.S. savings stamps	1,528,634.95	1,652,322.60	3,974,072.80	1,524,046.00	1,348,328.20	18,535,157.90	18,152,087.90
Total nonmarketable	652,885,415.10	762,626,552.00	657,342,226.97	715,397,440.53	893,136,011.26	8,864,648,309.31	8,783,764,684.87
Total public issues	19,334,199,415.10	18,826,867,052.00	12,071,999,226.97	20,216,634,440.53	11,224,519,011.26	189,029,079,809.31	172,349,519,684.87
Special issues:							
Civil service retirement fund	148,055,000.00	144,978,000.00	185,933,000.00	207,573,000.00	2,573,412,000.00	4,346,664,000.00	3,596,349,000.00
Exchange Stabilization Fund		162,384,441.62	201,577,340.38	234,425,266.04	216,089,232.70	814,476,280.74	
Federal Deposit Insurance Corporation	63,172,000.00		5,000,000.00	17,000,000.00	2,200,000.00	466,043,000.00	155,900,000.00
Federal disability insurance trust fund	124,985,000.00	103,409,000.00	90,557,000.00	156,275,000.00	297,705,000.00	1,281,481,000.00	1,318,174,000.00
Federal home loan banks	171,500,000.00	149,500,000.00	51,750,000.00	57,500,000.00	1,110,500,000.00	2,858,550,000.00	1,147,800,000.00
Federal Housing Administration funds	14,270,000.00			1,000,000.00		34,170,000.00	44,141,000.00
Federal old-age and survivors insurance trust fund	1,664,112,000.00	1,271,285,000.00	702,567,000.00	2,830,697,000.00	3,179,504,000.00	15,649,071,000.00	13,884,709,000.00
Federal Savings and Loan Insurance Corporation		25,000,000.00	3,000,000.00	66,000,000.00	23,000,000.00	311,000,000.00	182,000,000.00
Foreign service retirement fund	754,000.00	559,000.00	613,000.00	571,000.00	38,511,000.00	44,861,000.00	45,607,000.00
Government life insurance fund					49,963,000.00	50,438,000.00	36,820,000.00
Highway trust fund	69,270,000.00	68,606,000.00	100,245,000.00	49,643,000.00	773,053,000.00	1,136,633,000.00	864,731,000.00
National service life insurance fund			6,887,000.00	3,700,000.00	304,259,000.00	319,447,000.00	473,158,000.00
Postal savings system							56,000,000.00
Railroad retirement account	68,212,000.00	69,745,000.00	14,283,000.00	86,901,000.00	551,066,000.00	1,103,889,000.00	1,074,620,000.00
Unemployment trust fund	956,979,000.00	198,494,000.00	121,361,000.00	1,013,867,000.00	4,873,489,000.00	8,928,817,000.00	7,260,635,000.00
Veterans' special term insurance fund	1,661,000.00	1,650,000.00	1,575,000.00	1,400,000.00	101,078,000.00	117,439,000.00	102,152,000.00
Total special issues	3,282,970,000.00	2,195,610,441.62	1,485,348,340.38	4,726,552,266.04	14,093,829,232.70	37,462,979,280.74	30,242,796,000.00
Other obligations:							
International Monetary Fund notes			16,000,000.00			381,000,000.00	728,000,000.00
International Development Association notes						57,652,200.00	57,652,200.00

Footnotes at end of table.

TABLE 39.—*Public debt receipts and expenditures by classes, monthly for fiscal year 1963 and totals for 1962 and 1963*—Continued

Receipts (issues) and Expenditures (retirements)	Fiscal year 1963						
	July 1962	August 1962	September 1962	October 1962	November 1962	December 1962	January 1963
RECEIPTS (ISSUES)							
Other obligations—Continued							
Inter-American Development Bank notes				$30,000,000.00	$15,000,000.00	$25,000,000.00	
Other							
Total other obligations	$295,000,000.00	$45,000,000.00		45,000,000.00	82,652,200.00	25,000,000.00	
Total public debt receipts	11,840,058,393.22	23,307,159,810.93	$18,122,730,031.69	15,545,279,838.37	24,643,367,530.75	10,604,114,295.69	$15,463,471,962.80
EXPENDITURES (RETIREMENTS)							
Public issues:							
Marketable obligations:							
Treasury bills:							
Regular weekly	6,718,810,000.00	8,503,820,000.00	7,088,865,000.00	6,957,285,000.00	8,785,327,000.00	7,544,576,000.00	9,556,771,000.00
Tax anticipation	35,204,000.00	905,000.00	1,791,259,000.00	10,592,000.00		30,000.00	16,000.00
Other	2,001,915,000.00	1,065,000.00	677,000.00	2,001,281,000.00	1,808,000.00	418,000.00	1,999,960,000.00
Certificates of indebtedness:							
Regular	301,000.00	140,000.00	55,050.00	62,000.00	254,000.00	309,000.00	47,500.00
Tax anticipation							
Treasury notes	3,476,000.00	3,664,312,000.00	15,716,000.00	593,270,000.00	193,874,000.00	9,220,000.00	5,061,000.00
Treasury bonds	61,644,700.00	33,220,200.00	20,131,400.00	32,556,950.00	14,616,950.00	205,950,700.00	70,708,000.00
Other	63,133.50	12,429.00	3,850.00	8,792.50	6,567.00	15,209.75	8,538.50
Subtotal	8,821,413,833.50	12,203,474,629.00	8,916,707,300.00	9,595,055,742.50	8,995,886,517.00	7,760,518,909.75	11,632,572,038.50
Exchanges:							
Treasury bills:							
Regular weekly	475,657,000.00	708,604,000.00	506,615,000.00	467,850,000.00	715,556,000.00	452,153,000.00	709,681,000.00
Tax anticipation							
Other	16,250,000.00			190,034,000.00			38,648,000.00
Treasury certificates, regular			2,549,542,000.00	−5,091,000.00	−495,000.00		
Treasury notes		3,795,234,000.00	5,310,525,000.00	5,557,000.00	7,022,834,000.00	−1,298,000.00	
Treasury bonds	−345,000.00	905,000.00			2,051,172,000.00	1,412,018,500.00	−7,000.00
Subtotal	491,562,000.00	4,504,743,000.00	8,366,682,000.00	658,350,000.00	9,789,067,000.00	1,862,873,500.00	748,322,000.00
Total marketable	9,312,975,833.50	16,708,217,629.00	17,283,389,300.00	10,253,405,742.50	18,784,953,517.00	9,623,392,409.75	12,380,894,038.50
Nonmarketable obligations:							
Adjusted service bonds	19,250.00	12,550.00	8,900.00	10,800.00	6,800.00	12,500.00	13,450.00
Armed Forces leave bonds	63,475.00	80,250.00	68,950.00	76,025.00	122,725.00	55,050.00	100,875.00

Receipts (issues) and Expenditures (retirements)	Fiscal year 1963					Total fiscal year 1963	Total fiscal year 1962
	February 1963	March 1963	April 1963	May 1963	June 1963		
RECEIPTS (ISSUES)							
Other obligations—Continued							
Inter-American Development Bank notes						$70,000,000.00	$55,000,000.00
Other							[2] 97,478,969.00
Total other obligations			$16,000,000.00			508,652,200.00	938,131,169.00
Total public debt receipts	$22,617,169,415.10	$21,022,477,493.62	13,573,347,567.35	$24,943,186,706.57	$25,318,348,243.96	227,000,711,290.05	203,530,446,853.87
EXPENDITURES (RETIREMENTS)							
Public issues:							
Marketable obligations:							
Treasury bills:							
Regular weekly	7,849,380,000.00	7,586,853,000.00	7,508,090,000.00	9,481,646,000.00	7,756,517,000.00	95,337,940,000.00	80,519,728,000.00
Tax anticipation	20,000.00	2,982,217,000.00	23,073,000.00	45,000.00	2,496,684,000.00	7,340,045,000.00	7,505,138,000.00
Other	1,524,000.00	220,000.00	1,914,311,000.00	1,818,000.00	510,000.00	7,925,507,000.00	6,497,657,000.00
Certificates of indebtedness:							
Regular	55,980,000.00	2,255,000.00	251,000.00	114,783,000.00	1,533,000.00	175,970,550.00	190,018,500.00
Tax anticipation							6,000.00
Treasury notes	151,241,000.00	17,654,000.00	536,674,500.00	365,043,000.00	29,003,000.00	5,584,544,500.00	815,035,800.00
Treasury bonds	30,181,350.00	26,712,750.00	26,920,350.00	22,220,100.00	18,682,150.00	563,545,600.00	1,278,418,900.00
Other	6,590.50	36,423.50	18,984.25	20,064.25	9,797.25	210,380.00	3,027,371.00
Subtotal	8,088,332,940.50	10,615,948,173.50	10,009,338,834.25	9,985,575,164.25	10,302,938,947.25	116,927,763,030.00	96,809,029,571.00
Exchanges:							
Treasury bills:							
Regular weekly	557,035,000.00	735,203,000.00	506,208,000.00	717,016,000.00	648,760,000.00	7,200,338,000.00	7,635,315,000.00
Tax anticipation							168,030,000.00
Other			84,145,000.00			329,077,000.00	239,231,000.00
Treasury certificates, regular	5,662,887,000.00	1,969,304,000.00	110,000.00	5,167,708,000.00	−96,000.00	15,343,869,000.00	13,151,025,000.00
Treasury notes	3,567,991,000.00	1,068,545,000.00		3,798,037,000.00	96,000.00	24,567,521,000.00	15,587,164,000.00
Treasury bonds	155,500.00	4,967,517,000.00	542,000.00	38,000.00		8,431,996,000.00	20,933,556,000.00
Subtotal	9,788,068,500.00	8,740,569,000.00	591,005,000.00	9,682,799,000.00	648,760,000.00	55,872,801,000.00	57,714,321,000.00
Total marketable	17,876,401,440.50	19,356,517,173.50	10,600,343,834.25	19,668,374,164.25	10,951,698,947.25	172,800,564,030.00	154,523,350,571.00
Nonmarketable obligations:							
Adjusted service bonds	4,550.00	9,000.00	15,400.00	14,800.00	6,550.00	134,550.00	170,300.00
Armed Forces leave bonds	91,225.00	66,225.00	63,625.00	63,800.00	58,500.00	910,725.00	1,023,400.00

Footnotes at end of table.

TABLE 39.—*Public debt receipts and expenditures by classes, monthly for fiscal year 1963 and totals for 1962 and 1963*—Continued

Expenditures (retirements)	Fiscal year 1963						
	July 1962	August 1962	September 1962	October 1962	November 1962	December 1962	January 1963
Public issues—Continued							
Nonmarketable obligations—Con.							
Certificates of indebtedness:							
Foreign series	$250,000,000.00	$120,000,000.00	$500,000,000.00	$125,000,000.00	$50,000,000.00	$325,000,000.00	$115,000,000.00
Foreign currency series	24,978,250.00		49,964,250.00	24,978,250.00	74,934,750.00	49,956,500.00	
Depositary bonds	22,637,000.00	1,795,000.00	21,067,000.00	970,000.00	1,241,000.00	2,056,000.00	1,686,000.00
Excess profits tax refund bonds	3,446.10	1,184.02	3,026.31	6.84	2,051.62	569.43	5,072.78
Treasury bonds:							
Foreign currency series							
Investment series	243,000.00	287,000.00	317,000.00	8,757,000.00	6,021,000.00	6,682,000.00	15,596,000.00
R.E.A. series	638,000.00	105,000.00	250,000.00	427,000.00	135,000.00	691,000.00	10,000.00
Treasury tax and savings notes	57,475.00	7,150.00	22,625.00	27,775.00	9,025.00	2,200.00	26,300.00
U.S. savings bonds:							
Matured:							
Issue price	97,154,296.25	73,471,228.25	128,773,692.75	123,203,017.75	120,906,588.25	206,064,884.00	179,872,000.75
Accrued discount	40,048,396.50	31,835,692.78	56,276,575.56	54,477,204.34	53,915,810.56	51,342,398.99	56,297,680.86
Series H	1,048,000.00	730,500.00	920,000.00	1,678,000.00	1,266,500.00	2,324,000.00	2,595,500.00
Unmatured:							
Issue price	224,994,893.75	199,783,618.75	201,369,155.75	227,911,552.00	270,977,912.50	239,518,221 25	251,462,524.75
Accrued discount	11,834,407.91	9,955,462.99	13,396,154.52	14,168,368.89	14,894,206.03	11,759,486.66	13,109,052.34
Exchanges:							
Series E, F, and J, for Series H:							
Issue price	8,078,379.50	6,713,979.25	11,502,013.75	10,543,624.75	11,522,885.25	8,036,070.25	11,371,917.75
Accrued discount	3,627,916.41	2,962,006.06	5,570,192.71	4,927,566.01	5,354,209.85	3,732,804.84	5,255,478.34
Series F and G for Treasury bonds							
Unclassified:[3]							
Cash	77,357,728.53	113,251,853.72	884,979.26	91,747,072.77	−59,996,822.16	−124,781,424.36	51,830,217.14
Exchanges:							
Series E, F, and J, for Series H	5,939,302.09	5,154,701.48	−4,762,771.75	−1,244,268.43	−3,682,002.20	−132,854.01	8,967,605.54
Series F and G for Treasury bonds						73,357,000.00	1,783,000.00
U.S. savings stamps	1,466,684.25	1,182,552.15	880,351.75	1,070,765.15	1,248,409.92	1,174,058.91	1,889,374.77
Subtotal	770,239,901.29	567,329,729.45	986,512,095.61	688,729,760.07	548,880,049.62	856,850,465.96	716,872,050.02

Expenditures (retirements)	Fiscal year 1963					Total fiscal year 1963	Total fiscal year 1962
	February 1963	March 1963	April 1963	May 1963	June 1963		
Public issues—Continued							
Nonmarketable obligations—Con.							
Certificates of indebtedness:							
Foreign series	$45,000,000.00	$210,000,000.00			$260,000,000.00	$2,000,000,000.00	$1,625,000,000.00
Foreign currency series			$22,448,225.00			247,260,225.00	144,354,250.00
Depositary bonds	611,000.00	2,444,000.00	3,729,000.00	$1,212,000.00	2,006,000.00	61,454,000.00	35,217,500.00
Excess profits tax refund bonds	4,632.98	2,383.47	3,893.34	3,139.20	3,813.94	33,220.03	21,395.06
Treasury bonds:							
Foreign currency series		24,974,375.00			74,923,125.00	99,897,500.00	
Investment series	10,045,000.00	4,165,000.00	14,050,000.00	10,763,000.00	5,656,000.00	82,582,000.00	92,220,000.00
R.E.A. series	546,000.00	208,000.00		470,000.00	3,800,000.00	7,280,000.00	1,115,000.00
Treasury tax and savings notes	6,350.00	17,925.00	1,725.00	4,450.00	15,825.00	198,825.00	183,850.00
U.S. savings bonds:							
Matured:							
Issue price	118,962,757.75	145,232,192.75	123,870,013.00	121,373,751.75	101,970,798.50	1,540,855,221.75	1,650,225,486.75
Accrued discount	57,809,765.35	57,675,914.61	45,552,208.21	57,906,013.06	47,696,746.20	610,834,407.02	615,167,740.02
Series H	1,728,500.00	2,638,000.00	3,502,500.00	2,325,000.00	2,520,500.00	23,277,000.00	7,602,500.00
Unmatured:							
Issue price	221,936,933.25	219,002,830.23	219,820,110.52	276,426,474.00	234,123,056.00	2,787,327,282.75	2,896,730,107.75
Accrued discount	12,229,930.14	13,796,110.75	11,962,999.17	16,413,435.01	13,755,035.98	157,274,650.39	163,462,781.88
Exchanges:							
Series E, F, and J, for Series H:							
Issue price	11,292,294.75	13,749,188.00	10,387,873.50	14,966,343.75	11,080,141.75	129,244,712.25	160,554,898.50
Accrued discount	5,319,430.85	6,684,993.89	5,008,307.95	7,296,999.86	5,491,451.19	61,231,357.96	71,081,597.92
Series F and G for Treasury bonds	74,913,025.00	227,500.00	16,150.00			75,156,675.00	320,098,000.00
Unclassified:[3]							
Cash	−14,897,737.12	−33,919,778.72	41,451,044.26	−66,742,601.96	−3,598,753.67	72,585,777.69	52,596,093.18
Exchanges:							
Series E, F, and J, for Series H	−138,944.34	−2,791,747.61	3,940,844.78	−4,234,389.14	−292,657.32	6,772,819.09	−2,735,999.89
Series F and G for Treasury bonds	−74,901,525.00	−222,000.00	−16,650.00			−175.00	
U.S. savings stamps	1,381,278.10	1,613,218.30	1,719,935.30	1,797,863.95	2,032,387.05	17,456,879.60	17,499,875.70
Subtotal	471,944,466.71	665,573,330.67	507,527,205.03	440,060,079.48	761,248,519.62	7,981,767,653.53	7,851,588,776.87

Footnotes at end of table.

TABLE 39.—*Public debt receipts and expenditures by classes, monthly for fiscal year 1963 and totals for 1962 and 1963*—Continued

Expenditures (retirements)	Fiscal year 1963						
	July 1962	August 1962	September 1962	October 1962	November 1962	December 1962	January 1963
Public issues—Continued							
Nonmarketable obligations—Con.							
Exchanges:							
Treasury bonds, investment series	$13,519,000.00	$67,285,000.00	$71,160,000.00	$75,100,000.00	$7,798,000.00	$27,201,000.00	$17,135,000.00
Total nonmarketable	783,758,901.29	634,614,729.45	1,057,672,095.61	763,829,760.07	556,678,049.62	884,051,465.96	734,007,050.02
Total public issues	10,096,734,734.79	17,342,832,358.45	18,341,061,395.61	11,017,235,502.57	19,341,631,566.62	10,507,443,875.71	13,114,901,088.52
Special issues:							
Civil service retirement fund	93,500,000.00	115,008,000.00	96,000,000.00	96,500,000.00	97,500,000.00	96,500,000.00	97,500,000.00
Exchange Stabilization Fund							
Federal Deposit Insurance Corporation	132,300,000.00	23,000,000.00	213,500,000.00		19,500,000.00	4,000,000.00	25,000,000.00
Federal disability insurance trust fund	97,800,000.00	105,018,000.00	98,900,000.00	96,760,000.00	100,000,000.00	136,853,000.00	102,000,000.00
Federal home loan banks	112,500,000.00	110,500,000.00	96,900,000.00	235,800,000.00	162,000,000.00	193,800,000.00	245,300,000.00
Federal Housing Administration funds	24,959,000.00				150,000.00		150,000.00
Federal old-age and survivors insurance trust fund	1,164,000,000.00	1,183,996,000.00	1,176,000,000.00	1,179,000,000.00	1,183,000,000.00	1,204,000,000.00	1,197,000,000.00
Federal Savings and Loan Insurance Corporation	110,656,000.00	15,500,000.00	94,750,000.00	1,000,000.00	23,000,000.00		25,000,000.00
Foreign service retirement fund	568,000.00	600,000.00	607,000.00	595,000.00	570,000.00	598,000.00	645,000.00
Government life insurance fund	6,007,000.00	4,462,000.00	3,004,000.00	4,453,000.00	2,435,000.00	5,445,000.00	14,545,000.00
Highway trust fund	15,819,000.00		63,000,000.00	40,822,000.00	90,000,000.00		
National service life insurance fund	10,303,000.00	7,473,000.00	9,149,000.00	6,064,000.00	6,458,000.00	5,479,000.00	225,510,000.00
Postal savings system	8,000,000.00	12,000,000.00	6,000,000.00				
Railroad retirement account	88,500,000.00	133,478,000.00	89,300,000.00	89,000,000.00	100,765,000.00	90,000,000.00	89,900,000.00
Unemployment trust fund	202,553,000.00	223,770,000.00	177,748,000.00	193,295,000.00	192,677,000.00	257,805,000.00	361,125,000.00
Veterans' special term insurance fund	17,000.00						
Total special issues	2,067,482,000.00	1,934,805,000.00	2,124,858,000.00	1,943,289,000.00	1,978,055,000.00	1,994,480,000.00	2,383,675,000.00

Expenditures (retirements	Fiscal year 1963					Total fiscal year 1963	Total fiscal year 1962
	February 1963	March 1963	April 1963	May 1963	June 1963		
Public issues—Continued							
Nonmarketable obligations—Con.							
Exchanges:							
Treasury bonds, investment series	$45,369,000.00	$151,272,000.00	$206,847,000.00	$22,090,000.00	$18,619,000.00	$723,395,000.00	$1,011,091,000.00
Total nonmarketable	517,313,466.71	816,845,330.67	714,374,205.03	462,150,079.48	779,867,519.62	8,705,162,653.53	8,862,679,776.87
Total public issues	18,393,714,907.21	20,173,362,504.17	11,314,718,039.28	20,130,524,243.73	11,731,566,466.87	181,505,726,683.53	163,386,030,347.87
Special issues:							
Civil service retirement fund	87,000,000.00	97,644,000.00	91,000,000.00	128,000,000.00	2,196,551,000.00	3,292,703,000.00	2,632,028,000.00
Exchange Stabilization Fund		96,373,598.79	119,609,283.14	249,217,375.43	241,129,048.62	706,329,305.98	
Federal Deposit Insurance Corporation	115,500,000.00	118,000,000.00		50,000,000.00	5,000,000.00	705,800,000.00	212,100,000.00
Federal disability insurance trust fund	114,575,000.00	105,458,000.00	105,500,000.00	103,250,000.00	254,392,000.00	1,420,506,000.00	1,312,634,000.00
Federal home loan banks	268,300,000.00	209,400,000.00	80,050,000.00	52,200,000.00	793,800,000.00	2,560,550,000.00	1,123,800,000.00
Federal Housing Administration funds			21,925,000.00	50,000.00	1,371,000.00	48,605,000.00	61,781,000.00
Federal old-age and survivors insurance trust fund	1,326,850,000.00	1,217,145,000.00	1,229,000,000.00	1,128,000,000.00	3,313,566,000.00	16,501,557,000.00	15,011,243,000.00
Federal Savings and Loan Insurance Corporation	8,500,000.00	33,000,000.00		83,000,000.00		394,406,000.00	138,500,000.00
Foreign service retirement fund	600,000.00	570,000.00	575,000.00	590,000.00	37,162,000.00	43,680,000.00	41,077,000.00
Government life insurance fund	3,467,000.00	4,364,000.00	5,410,000.00	2,880,000.00	18,773,000.00	75,245,000.00	80,444,000.00
Highway trust fund					685,184,000.00	894,825,000.00	662,830,000.00
National service life insurance fund	1,871,000.00	2,002,000.00	3,037,000.00	1,130,000.00	130,585,000.00	409,061,000.00	429,000,000.00
Postal savings system						26,000,000.00	30,000,000.00
Railroad retirement account	108,094,000.00	210,236,000.00	92,000,000.00	450,015,000.00	92,300,000.00	1,633,588,000.00	1,262,369,000.00
Unemployment trust fund	951,980,000.00	384,541,000.00	336,978,000.00	520,771,000.00	4,979,865,000.00	8,783,108,000.00	7,228,709,000.00
Veterans' special term insurance fund					104,790,000.00	104,807,000.00	120,476,000.00
Total special issues	2,986,737,000.00	2,478,733,598.79	2,085,084,283.14	2,769,103,375.43	12,854,468,048.62	37,600,770,305.98	30,346,991,000.00

Footnotes at end of table.

TABLE 39.—*Public debt receipts and expenditures by classes, monthly for fiscal year 1963 and totals for 1962 and 1963*—Continued

Expenditures (retirements)	Fiscal year 1963						
	July 1962	August 1962	September 1962	October 1962	November 1962	December 1962	January 1963
Other obligations:							
International Monetary Fund notes	--------	$5,000,000.00	--------	$15,000,000.00	--------	--------	$17,000,000.00
International Development Association notes	--------	--------	--------	--------	--------	$22,000,000.00	--------
Other	$614,186.00	58,631,139.00	$459,711.00	1,008,324.50	$522,355.00	307,983.00	809,060.00
Total other obligations	614,186.00	63,631,139.00	459,711.00	16,008,324.50	522,355.00	22,307,983.00	17,809,060.00
Total public debt expenditures	12,164,830,920.79	19,341,268,497.45	20,466,379,106.61	12,976,532,827.07	21,320,208,921.62	12,524,231,858.71	15,516,385,148.52
Excess of receipts, or expenditures (−)	−324,772,527.57	3,965,891,313.48	−2,343,649,074.92	2,568,747,011.30	3,323,158,609.13	−1,920,117,563.02	−52,913,185.72

Expenditures (retirements)	Fiscal year 1963					Total fiscal year 1963	Total fiscal year 1962
	February 1963	March 1963	April 1963	May 1963	June 1963		
Other obligations:							
International Monetary Fund notes	$15,000,000.00	$15,000,000.00	--------	$5,000,000.00	$54,000,000.00	$126,000,000.00	$557,000,000.00
International Development Association notes	--------	--------	--------	--------	22,000,000.00	44,000,000.00	--------
Other	498,195.00	808,398.50	$761,193.00	490,805.00	492,675.00	65,404,025.00	[4] 10,541,395.18
Total other obligations	15,498,195.00	15,808,398.50	761,193.00	5,490,805.00	76,492,675.00	235,404,025.00	567,541,395.18
Total public debt expenditures	21,395,950,102.21	22,667,904,501.46	13,400,563,515.42	22,905,118,424.16	24,662,527,190.49	219,341,901,014.51	194,300,562,743.05
Excess of receipts, or expenditures (−)	1,221,219,312.89	−1,645,427,007.84	172,784,051.93	2,038,068,282.41	655,821,053.47	7,658,810,275.54	9,229,884,110.82

[1] Includes $1,001,310,000 of 10 series of weekly bills issued in a strip on Nov. 15, 1962.

[2] Consists of $29,959,809 gold certificates issued before Jan. 30, 1934, $1,141,667 Treasury notes of 1890, $36,419,050 Federal Reserve notes of series before Series of 1928, and $29,958,443 silver certificates issued before July 1, 1929, transferred to the general fund of the Treasury and credited as a public debt receipt as authorized by the Old Series Currency Adjustment Act, approved June 30, 1961 (31 U.S.C. 912).

[3] Redemptions (all series) not yet classified as between matured and unmatured or as between issue price and accrued discount.

[4] Includes $1,000,000 of Treasury notes of 1890 determined by the Secretary of the Treasury on Oct. 20, 1961, pursuant to the Old Series Currency Adjustment Act, approved June 30, 1961 (31 U.S.C. 912-916), to have been destroyed or irretrievably lost and so will never be presented for redemption.

TABLE 40.—*Public debt increases and decreases, and balances in the account of the Treasurer of the United States, fiscal years 1916–63*

[In millions of dollars. On basis of daily Treasury statements, see "Bases of Tables"]

Fiscal year	Public debt outstanding at end of year	Increase, or decrease (−), during year	Analysis of increase or decrease: Excess of expenditures (+), or receipts (−)	Analysis of increase or decrease: Increase (+), or decrease (−), in the balance in Treasurer's account	Analysis of increase or decrease: Decreases due to statutory debt retirements [1]	Balance in Treasurer's account at end of year
1916	1,225.1	33.8	−48.5	+82.3		240.4
1917	2,975.6	1,750.5	+853.4	+897.1		1,137.5
1918	12,455.2	9,479.6	+9,033.3	+447.5	1.1	1,585.0
1919	25,484.5	13,029.3	+13,370.6	−333.3	8.0	1,251.7
1920	24,299.3	−1,185.2	−212.5	−894.0	78.7	357.7
1921	23,977.5	−321.9	−86.7	+192.0	427.1	549.7
1922	22,963.4	−1,014.1	−313.8	−277.6	422.7	272.1
1923	22,349.7	−613.7	−309.7	+98.8	402.9	370.9
1924	21,250.8	−1,098.9	−505.4	−135.5	458.0	235.4
1925	20,516.2	−734.6	−250.5	−17.6	466.5	217.8
1926	19,643.2	−873.0	−377.8	−7.8	487.4	210.0
1927	18,511.9	−1,131.3	−635.8	+24.1	519.6	234.1
1928	17,604.3	−907.6	−398.8	+31.5	540.3	265.5
1929	16,931.1	−673.2	−184.8	+61.2	549.6	326.7
1930	16,185.3	−745.8	−183.8	−8.1	553.9	318.6
1931	16,801.3	616.0	+902.7	+153.3	440.1	471.9
1932	19,487.0	2,685.7	+3,153.1	−54.7	412.6	417.2
1933	22,538.7	3,051.7	+3,068.3	+445.0	461.6	862.2
1934	27,053.1	4,514.5	+3,154.6	+1,719.7	359.9	2,581.9
1935	28,700.9	1,647.8	+2,961.9	−740.6	573.6	1,841.3
1936	33,778.5	5,077.7	+4,640.7	+840.2	403.2	2,681.5
1937	36,424.6	2,646.1	+2,878.1	−128.0	104.0	2,553.5
1938	37,164.7	740.1	+1,143.1	−337.6	65.5	2,215.9
1939	40,439.5	3,274.8	+2,710.7	+622.3	58.2	2,838.2
1940	42,967.5	2,528.0	+3,604.7	−947.5	129.2	1,890.7
1941	48,961.4	5,993.9	+5,315.7	+742.4	64.3	2,633.2
1942	72,422.4	23,461.0	+23,197.8	+358.0	94.7	2,991.1
1943	136,696.1	64,273.6	+57,761.7	+6,515.4	3.5	9,506.6
1944	201,003.4	64,307.3	+53,645.3	+10,662.0	(*)	20,168.6
1945	258,682.2	57,678.8	+53,149.6	+4,529.2	(*)	24,697.7
1946	269,422.1	10,739.9	+21,199.8	−10,459.8	(*)	14,237.9
1947	258,286.4	−11,135.7	−206.0	−10,929.7		3,308.1
1948	252,292.2	−5,994.1	−6,606.4	+1,623.9	1,011.6	4,932.0
1949	252,770.4	478.1	+1,947.5	−1,461.6	7.8	3,470.4
1950	257,357.4	4,587.0	+2,592.0	+2,046.7	51.7	5,517.1
1951	255,222.0	−2,135.4	−3,973.6	+1,839.5	1.2	7,356.6
1952	259,105.2	3,883.2	+4,271.8	−387.8	.9	6,968.8
1953	266,071.1	6,965.9	+9,265.0	−2,298.6	.5	4,670.2
1954	271,259.6	5,188.5	+3,092.7	+2,096.2	.4	6,766.5
1955	274,374.2	3,114.6	+3,665.6	−550.8	.2	6,215.7
1956	272,750.8	−1,623.4	−1,190.8	+330.5	763.1	6,546.2
1957	270,527.2	−2,223.6	−1,267.3	−956.2	.1	5,590.0
1958	276,343.2	5,816.0	+1,656.9	+4,159.2		9,749.1
1959	284,705.9	8,362.7	+12,761.4	−4,398.7	[2].1	5,350.4
1960	286,330.8	1,624.9	−1,029.5	+2,654.3		8,004.7
1961	288,970.9	2,640.2	+4,950.8	−1,310.6	1,000.0	6,694.1
1962	298,200.8	9,229.9	+5,494.6	+3,736.3	1.0	10,430.4
1963	305,859.6	7,658.8	+5,973.0	+1,685.8		12,116.2
Total		304,668.3	+303,634.8	+11,958.0	10,924.6	

*Less than $50,000.

[1] Effective with the fiscal year 1948, statutory debt retirements have been excluded from administrative budget expenditures; they are shown here for purposes of comparison.

[2] Adjustment for overstatement of price paid for securities purchased in fiscal 1956 at a discount but previously stated at par value.

TABLE 41.—*Public debt issues, redemptions, and transfers fiscal 1963 and outstanding June 30, 1962 and 1963*

[On basis of Public Debt accounts, see "Bases of Tables"]

Security	Outstanding June 30, 1962	Issues during year	Redemptions during year	Transferred to matured debt	Outstanding June 30, 1963 [1]
INTEREST-BEARING DEBT					
Public Issues					
Marketable:					
Treasury bills, series maturing: [2]					
Regular weekly:					
July 5, 1962	$1,801,102,000.00		$1,801,052,000.00	$50,000.00	
July 12, 1962	1,800,212,000.00		1,800,207,000.00	5,000.00	
Other:					
July 15, 1962	2,003,516,000.00		2,003,476,000.00	40,000.00	
Regular weekly:					
July 19, 1962	1,801,436,000.00		1,801,436,000.00		
July 26, 1962	1,800,773,000.00		1,800,773,000.00		
Aug. 2, 1962	1,801,910,000.00		1,801,905,000.00	5,000.00	
Aug. 9, 1962	1,804,290,000.00		1,804,290,000.00		
Aug. 16, 1962	1,800,826,000.00		1,800,826,000.00		
Aug. 23, 1962	1,901,349,000.00		1,901,349,000.00		
Aug. 30, 1962	1,901,386,000.00		1,901,386,000.00		
Sept. 6, 1962	1,901,854,000.00		1,901,849,000.00	5,000.00	
Sept. 13, 1962	1,900,696,000.00		1,900,695,000.00	1,000.00	
Sept. 20, 1962	1,900,824,000.00		1,900,824,000.00		
Tax anticipation:					
Sept. 21, 1962	1,801,986,000.00		1,801,986,000.00		
Regular weekly:					
Sept. 27, 1962	1,900,712,000.00		1,900,712,000.00		
Oct. 4, 1962	600,567,000.00	$1,300,530,000.00	1,901,097,000.00		
Oct. 11, 1962	600,202,000.00	1,301,363,000.00	1,901,565,000.00		
Other:					
Oct. 15, 1962	2,003,463,000.00		2,003,433,000.00	30,000.00	
Regular weekly:					
Oct. 18, 1962	600,309,000.00	1,302,465,000.00	1,902,774,000.00		
Oct. 25, 1962	600,408,000.00	1,298,098,000.00	1,898,506,000.00		
Nov. 1, 1962	600,048,000.00	1,300,687,000.00	1,900,724,000.00	11,000.00	
Nov. 8, 1962	601,639,000.00	1,300,901,000.00	1,902,531,000.00	9,000.00	
Nov. 15, 1962	600,140,000.00	1,300,652,000.00	1,900,792,000.00		
Nov. 23, 1962	600,316,000.00	1,300,806,000.00	1,901,065,000.00	57,000.00	
Nov. 29, 1962	601,324,000.00	1,300,839,000.00	1,902,063,000.00	100,000.00	
Dec. 6, 1962	701,967,000.00	1,301,392,000.00	2,003,359,000.00		
Dec. 13, 1962	700,118,000.00	1,300,907,000.00	2,001,005,000.00	20,000.00	
Dec. 20, 1962	700,552,000.00	1,301,202,000.00	2,001,734,000.00	20,000.00	
Dec. 27, 1962	700,197,000.00	1,300,422,000.00	2,000,592,000.00	27,000.00	
Jan. 3, 1963		2,000,636,000.00	2,000,636,000.00		
Jan. 10, 1963		2,001,454,000.00	2,001,438,000.00	16,000.00	

Other:					
Jan. 15, 1963	2,001,255,000.00		2,001,023,000.00	232,000.00	
Regular weekly:					
Jan. 17–Mar. 21, 1963 (strip issue) [3]		1,001,310,000.00	1,001,310,000.00		
Jan. 17, 1963		[4] 2,000,389,000.00	2,000,332,000.00	57,000.00	
Jan. 24, 1963		[4] 2,003,369,000.00	2,003,369,000.00		
Jan. 31, 1963		[4] 2,001,347,000.00	2,001,317,000.00	30,000.00	
Feb. 7, 1963		[4] 2,001,294,000.00	2,001,258,000.00	36,000.00	
Feb. 14, 1963		[4] 2,006,151,000.00	2,006,151,000.00		
Feb. 21, 1963		[4] 1,999,839,000.00	1,999,829,000.00	10,000.00	
Feb. 28, 1963		[4] 2,000,536,000.00	2,000,536,000.00		
Mar. 7, 1963		[4] 2,000,616,000.00	2,000,484,000.00	132,000.00	
Mar. 14, 1963		[4] 2,001,294,000.00	2,001,054,000.00	240,000.00	
Mar. 21, 1963		[4] 2,001,450,000.00	2,001,382,000.00	68,000.00	
Tax anticipation:					
Mar. 22, 1963		3,005,221,000.00	3,005,178,000.00	43,000.00	
Regular weekly:					
Mar. 28, 1963		2,009,186,000.00	2,009,094,000.00	92,000.00	
Apr. 4, 1963		2,002,118,000.00	2,001,962,000.00	156,000.00	
Apr. 11, 1963		2,001,487,000.00	2,001,379,000.00	108,000.00	
Other:					
Apr. 15, 1963	2,000,754,000.00		2,000,394,000.00	360,000.00	
Regular weekly:					
Apr. 18, 1963		2,001,115,000.00	2,000,966,000.00	149,000.00	
Apr. 25, 1963		2,002,373,000.00	2,002,263,000.00	110,000.00	
May 2, 1963		2,001,262,000.00	2,000,945,000.00	317,000.00	
May 9, 1963		2,003,085,000.00	2,002,774,000.00	311,000.00	
May 16, 1963		2,004,644,000.00	2,004,406,000.00	238,000.00	
May 23, 1963		2,100,248,000.00	2,100,078,000.00	170,000.00	
May 31, 1963		2,100,860,000.00	2,100,642,000.00	218,000.00	
June 6, 1963		2,102,211,000.00	2,101,676,000.00	535,000.00	
June 13, 1963		2,101,373,000.00	2,100,010,000.00	1,363,000.00	
June 20, 1963		2,101,293,000.00	2,099,623,000.00	1,670,000.00	
Tax anticipation:					
June 24, 1963		2,502,942,000.00	2,496,621,000.00	6,321,000.00	
Regular weekly:					
June 27, 1963		2,102,416,000.00	2,099,958,000.00	2,458,000.00	
July 5, 1963		2,100,972,000.00			$2,100,972,000.00
July 11, 1963		2,102,458,000.00			2,102,458,000.00
Other:					
July 15, 1963		2,003,591,000.00			2,003,591,000.00
Regular weekly:					
July 18, 1963		2,100,781,000.00			2,100,781,000.00
July 25, 1963		2,100,500,000.00			2,100,500,000.00
Aug. 1, 1963		2,101,679,000.00			2,101,679,000.00
Aug. 8, 1963		2,100,131,000.00			2,100,131,000.00
Aug. 15, 1963		2,101,543,000.00			2,101,543,000.00
Aug. 22, 1963		2,102,089,000.00			2,102,089,000.00
Aug. 29, 1963		2,102,530,000.00			2,102,530,000.00
Sept. 5, 1963		2,103,113,000.00			2,103,113,000.00
Sept. 12, 1963		2,100,529,000.00			2,100,529,000.00

Footnotes at end of table.

TABLE 41.—*Public debt issues, redemptions, and transfers fiscal 1963 and outstanding June 30, 1962 and 1963*—Continued

Security	Outstanding June 30, 1962	Issues during year	Redemptions during year	Transferred to matured debt	Outstanding June 30, 1963 [1]
INTEREST-BEARING DEBT—Continued					
Public Issues—Continued					
Marketable—Continued					
Treasury bills, series maturing [2]—Continued					
Regular weekly—Continued					
Sept. 19, 1963		$2,102,297,000.00			$2,102,297,000.00
Sept. 26, 1963		2,101,881,000.00			2,101,881,000.00
Oct. 3, 1963		800,033,000.00			800,033,000.00
Oct. 10, 1963		801,369,000.00			801,369,000.00
Other:					
Oct. 15, 1963		2,500,103,000.00			2,500,103,000.00
Regular weekly:					
Oct. 17, 1963		800,442,000.00			800,442,000.00
Oct. 24, 1963		801,100,000.00			801,100,000.00
Oct. 31, 1963		800,950,000.00			800,950,000.00
Nov. 7, 1963		801,786,000.00			801,786,000.00
Nov. 14, 1963		800,667,000.00			800,667,000.00
Nov. 21, 1963		800,428,000.00			800,428,000.00
Nov. 28, 1963		801,296,000.00			801,296,000.00
Dec. 5, 1963		800,219,000.00			800,219,000.00
Dec. 12, 1963		800,929,000.00			800,929,000.00
Dec. 19, 1963		800,700,000.00			800,700,000.00
Dec. 26, 1963		798,837,000.00			798,837,000.00
Other:					
Jan. 15, 1964		2,496,151,000.00			2,496,151,000.00
Apr. 15, 1964		2,500,763,000.00			2,500,763,000.00
Total Treasury bills	$42,036,131,000.00	$123,301,650,000.00	$118,092,094,000.00	$15,820,000.00	47,229,867,000.00
Certificates of indebtedness:					
Regular:					
3½% Series A-1963	6,861,555,000.00		6,861,254,000.00	301,000.00	
3¼% Series B-1963	6,685,492,000.00	230,000.00	6,684,883,000.00	839,000.00	
3½% Series C-1963		6,851,434,000.00	1,670,799,000.00		5,180,635,000.00
3⅛% Series D-1963		4,855,664,000.00	301,605,000.00		4,554,059,000.00
3¼% Series A-1964		6,741,214,000.00			6,741,214,000.00
3¼% Series B-1964		5,693,160,000.00			5,693,160,000.00
Total certificates of indebtedness	13,547,047,000.00	24,141,702,000.00	15,518,541,000.00	1,140,000.00	22,169,068,000.00
Treasury notes:					
4% Series B-1962	158,173,000.00		156,820,000.00	1,353,000.00	
3¾% Series C-1962	1,142,956,000.00		1,142,086,000.00	870,000.00	

3¼% Series G-1962	7,324,862,000.00		7,324,712,000.00	150,000.00	
3¼% Series H-1962	6,081,795,000.00		6,081,612,000.00	183,000.00	
2⅝% Series A-1963	2,839,353,000.00		2,836,846,000.00	2,507,000.00	
4% Series B-1963	1,743,040,000.00		1,724,574,000.00	18,466,000.00	
4⅞% Series C-1963	3,011,432,000.00				3,011,432,000.00
3¼% Series D-1963	5,047,452,000.00		5,044,788,000.00	2,664,000.00	
3¼% Series E-1963	3,642,464,000.00		3,642,018,000.00	446,000.00	
4¾% Series A-1964	4,932,995,000.00				4,932,995,000.00
5% Series B-1964	2,315,724,000.00				2,315,724,000.00
4⅞% Series C-1964	4,195,320,000.00				4,195,320,000.00
3¾% Series D-1964	3,893,341,000.00				3,893,341,000.00
3¾% Series E-1964	5,018,682,000.00				5,018,682,000.00
4⅝% Series A-1965	2,112,741,000.00				2,112,741,000.00
3½% Series B-1965		3,285,508,000.00	331,704,000.00		2,953,804,000.00
4% Series A-1966	4,454,410,000.00				4,454,410,000.00
3⅝% Series B-1966	3,113,202,000.00	3,273,335,000.00	733,798,000.00		5,652,739,000.00
3¾% Series A-1967		5,281,528,000.00			5,281,528,000.00
3⅝% Series B-1967		4,286,535,000.00			4,286,535,000.00
1½% Series EO-1962	590,195,000.00		590,061,000.00	134,000.00	
1½% Series EA-1963	533,150,000.00		532,765,000.00	385,000.00	
1½% Series EO-1963	505,574,000.00				505,574,000.00
1½% Series EA-1964	456,514,000.00				456,514,000.00
1½% Series EO-1964	489,777,000.00				489,777,000.00
1½% Series EA-1965	465,673,000.00				465,673,000.00
1½% Series EO-1965	315,094,000.00				315,094,000.00
1½% Series EA-1966	674,981,000.00				674,981,000.00
1½% Series EO-1966	356,530,000.00				356,530,000.00
1½% Series EA-1967	49,950,000.00	220,546,000.00			270,496,000.00
1½% Series EO-1967		457,177,000.00			457,177,000.00
1½% Series EA-1968		44,002,000.00			44,002,000.00
Total Treasury notes	65,465,380,000.00	16,848,631,000.00	30,141,784,000.00	27,158,000.00	52,145,069,000.00
Treasury bonds:					
2¼% of 1959-62 (dated Nov. 15, 1945)	2,270,083,000.00		2,258,251,000.00	11,832,000.00	
2¾% of 1960-65	1,485,383,100.00		1,470,477,650.00	14,905,450.00	
2½% of 1962-67	1,462,744,300.00		1,284,200.00		1,461,460,100.00
2½% of 1963	4,317,066,000.00		2,856,357,000.00		1,460,709,000.00
2½% of 1963-68	1,817,140,000.00		2,109,000.00		1,815,031,000.00
3% of 1964	2,699,924,000.00		1,065,623,000.00		1,634,301,000.00
2½% of 1964-69 (dated Apr. 15, 1943)	2,634,606,000.00		3,244,500.00		2,631,361,500.00
2½% of 1964-69 (dated Sept. 15, 1943)	2,551,532,500.00		8,808,000.00		2,542,724,500.00
2⅝% of 1965	4,682,269,500.00		60,000.00		4,682,209,500.00
2½% of 1965-70	2,425,787,000.00		5,397,000.00		2,420,390,000.00
3% of 1966	1,484,298,000.00		459,895,500.00		1,024,402,500.00
3⅜% of 1966	2,437,629,500.00		586,221,500.00		1,851,408,000.00
3¾% of 1966	3,597,473,500.00				3,597,473,500.00
2½% of 1966-71	1,415,851,000.00		6,763,500.00		1,409,087,500.00
2½% of 1967-72 (dated June 1, 1945)	1,335,420,500.00		20,942,000.00		1,314,478,500.00
2½% of 1967-72 (dated Oct. 20, 1941)	1,951,817,250.00		8,000.00		1,951,809,250.00
2½% of 1967-72 (dated Nov. 15, 1945)	2,833,536,500.00		56,250,500.00		2,777,286,000.00

Footnotes at end of table.

TABLE 41.—*Public debt issues, redemptions, and transfers fiscal 1963 and outstanding June 30, 1962 and 1963*—Continued

Security	Outstanding June 30, 1962	Issues during year	Redemptions during year	Transferred to matured debt	Outstanding June 30, 1963 [1]
INTEREST-BEARING DEBT—Continued					
Public Issues—Continued					
Marketable—Continued					
Treasury bonds—Continued					
3⅝% of 1967	$3,603,544,500.00				$3,603,544,500.00
3⅞% of 1968	2,459,935,500.00				2,459,935,500.00
3¾% of 1968	1,257,539,500.00	$2,489,819,000.00			3,747,358,500.00
4% of 1969 (dated Oct. 1, 1957)	2,537,693,500.00		$106,500.00		2,537,587,000.00
4% of 1969 (dated Aug. 15, 1962)		1,843,615,500.00			1,843,615,500.00
4% of 1970		1,905,665,000.00			1,905,665,000.00
4% of 1971	2,805,626,500.00				2,805,626,500.00
3⅞% of 1971	1,204,092,500.00	1,556,327,500.00			2,760,420,000.00
4% of 1972 (dated Sept. 15, 1962)		2,578,547,000.00			2,578,547,000.00
4% of 1972 (dated Nov. 15, 1962)		2,343,511,000.00			2,343,511,000.00
3⅞% of 1974	1,171,029,000.00	1,073,743,000.00	592,500.00		2,244,179,500.00
4¼% of 1975–85	469,528,000.00				469,528,000.00
3¼% of 1978–83	1,593,957,000.00		3,811,500.00		1,590,145,500.00
4% of 1980	1,446,202,000.00	1,165,500,000.00	1,179,500.00		2,610,522,500.00
3½% of 1980	1,915,496,000.00	447,000.00	1,289,500.00		1,914,653,500.00
3¼% of 1985	1,131,359,000.00	3,508,500.00	4,843,500.00		1,130,024,000.00
4¼% of 1987–92		365,121,500.00			365,121,500.00
4% of 1988–93		250,000,000.00			250,000,000.00
3½% of 1990	4,915,166,500.00	2,245,000.00	4,639,500.00		4,912,772,000.00
3% of 1995	2,648,698,500.00	96,418,500.00	185,992,000.00		2,559,125,000.00
3½% of 1998	4,461,648,000.00	1,191,000.00	5,883,500.00		4,456,955,500.00
4⅛% of 1989–94		300,000,000.00			300,000,000.00
Total Treasury bonds	75,024,077,650.00	15,975,659,500.00	9,010,030,350.00	$26,737,450.00	81,962,969,350.00
Total marketable	196,072,635,650.00	180,267,642,500.00	172,762,449,350.00	70,855,450.00	203,506,973,350.00
Nonmarketable:					
Certificates of indebtedness:					
2.00% foreign series	310,000,000.00	340,000,000.00	625,000,000.00		25,000,000.00
2.70% foreign series	50,000,000.00		50,000,000.00		
2.75% foreign series	300,000,000.00	385,000,000.00	645,000,000.00		40,000,000.00
2.79% foreign series		20,000,000.00	20,000,000.00		
2.80% foreign series	200,000,000.00		200,000,000.00		
2.90% foreign series		275,000,000.00	250,000,000.00		25,000,000.00
2.95% foreign series		295,000,000.00	210,000,000.00		85,000,000.00
3.00% foreign series		190,000,000.00			190,000,000.00
3.10% foreign series		100,000,000.00			100,000,000.00
Total foreign series	860,000,000.00	1,605,000,000.00	2,000,000,000.00		465,000,000.00

Treasury notes:					
3.10% foreign series		125,000,000.00			125,000,000.00
3.25% foreign series		58,000,000.00			58,000,000.00
Total foreign series		183,000,000.00			183,000,000.00
Certificates of indebtedness:					
2.00% foreign currency series		47,904,975.00	22,448,225.00		25,456,750.00
2.70% foreign currency series	49,964,250.00		49,964,250.00		
2.75% foreign currency series	24,978,250.00		24,978,250.00		
2.85% foreign currency series		124,891,250.00	124,891,250.00		
2.90% foreign currency series		24,978,250.00	24,978,250.00		
Total foreign currency series	74,942,500.00	197,774,475.00	247,260,225.00		25,456,750.00
Treasury bonds:					
2.75% foreign currency series		50,949,500.00			50,949,500.00
2.82% foreign currency series		75,596,739.59			75,596,739.59
2.83% foreign currency series		23,107,500.00			23,107,500.00
3.00% foreign currency series		199,844,537.50	99,897,500.00		99,947,037.50
3.09% foreign currency series		49,970,000.00			49,970,000.00
3.13% foreign currency series		49,942,500.00			49,942,500.00
3.14% foreign currency series		49,970,000.00			49,970,000.00
3.18% foreign currency series		49,942,500.00			49,942,500.00
3.22% foreign currency series		10,029,335.81			10,029,335.81
3.23% foreign currency series		25,154,798.76			25,154,798.76
3.26% foreign currency series		20,055,151.67			20,055,151.67
3.27% foreign currency series		24,962,750.00			24,962,750.00
3.30% foreign currency series		74,773,268.15			74,773,268.15
Total foreign currency series		704,298,581.48	99,897,500.00		604,401,081.48
1% Treasury certificates, maturing Dec. 15, 1963		2,500,000.00			2,500,000.00
U.S. savings bonds:[5]					
Series E-1941	305,107,726.63	10,985,430.12	28,585,991.98		287,507,164.87
Series E-1942	1,350,982,049.71	49,218,900.23	158,918,795.30		1,241,282,154.64
Series E-1943	2,138,907,119.47	81,186,137.78	208,324,272.81		2,011,768,984.44
Series E-1944	2,589,919,012.60	93,697,810.65	211,715,673.91		2,471,901,149.34
Series E-1945	2,246,370,091.75	75,347,477.05	177,350,968.75		2,144,366,600.05
Series E-1946	1,238,371,212.79	41,991,680.73	94,765,368.53		1,185,597,524.99
Series E-1947	1,353,138,951.63	46,362,690.76	101,374,663.92		1,298,126,978.47
Series E-1948	1,509,819,346.82	48,370,287.00	112,744,535.34		1,445,445,098.48
Series E-1949	1,577,865,449.93	53,271,815.82	120,574,530.05		1,510,562,735.70
Series E-1950	1,469,886,360.48	51,955,850.65	118,879,778.43		1,402,962,432.70
Series E-1951	1,307,080,565.37	44,824,610.45	120,983,015.69		1,230,922,160.13
Series E-1952 (January to April)	465,744,489.60	15,828,726.23	50,284,413.76		431,288,802.07
Series E-1952 (May to December)	1,030,715,670.55	34,573,553.59	143,798,782.69		921,490,441.45
Series E-1953 (January to October)	1,492,176,005.24	80,593,599.10	144,858,103.39		1,427,911,500.95
Series E-1953 (November and December)	324,617,902.34	12,869,358.30	18,107,119.29		319,380,141.35
Series E-1954	1,902,798,811.77	76,363,004.01	105,447,126.65		1,873,714,689.13

Footnotes at end of table.

TABLE 41.—*Public debt issues, redemptions, and transfers fiscal 1963 and outstanding June 30, 1962 and 1963*—Continued

Security	Outstanding June 30, 1962	Issues during year	Redemptions during year	Transferred to matured debt	Outstanding June 30, 1963 [1]
INTEREST-BEARING DEBT—Continued					
Public Issues—Continued					
Nonmarketable—Continued					
U.S. savings bonds[5]—Continued					
Series E-1955	$2,019,328,700.86	$73,797,315.83	$112,816,173.69		$1,980,309,843.00
Series E-1956	1,942,152,755.41	69,172,570.96	116,219,139.85		1,895,106,186.52
Series E-1957 (January)	167,307,776.68	6,100,982.68	10,103,212.74		163,305,546.62
Series E-1957 (February to December)	1,766,200,564.17	65,752,236.29	130,545,733.61		1,701,407,066.85
Series E-1958	2,026,783,010.75	75,727,611.36	138,037,739.08		1,964,472,883.03
Series E-1959 (January to May)	836,363,173.80	30,611,648.49	67,210,861.41		799,763,960.88
Series E-1959 (June to December)	1,142,871,224.04	42,777,751.18	99,086,894.42		1,086,562,080.80
Series E-1960	2,160,919,033.87	80,087,338.71	201,264,314.98		2,039,742,057.60
Series E-1961	2,525,703,396.44	80,308,449.93	337,498,164.59		2,268,513,681.78
Series E-1962	1,332,992,212.50	2,154,424,672.21	1,036,789,379.42		2,450,627,505.29
Series E-1963		1,806,606,581.25	234,747,787.50		1,571,858,793.75
Unclassified sales and redemptions	22,116,415.41	8,770,892.30	−98,743.26		30,986,050.97
Total Series E	38,246,239,030.71	5,311,578,983.66	4,400,933,798.52		39,156,884,215.85
Series F-1950	81,902,446.50	1,665,310.50	79,557,982.00	$4,009,775.00	
Series F-1951	67,765,250.54	2,541,636.32	33,031,588.36	8,735,175.00	28,540,123.50
Series F-1952	23,011,864.19	814,690.25	2,524,940.34		21,301,614.10
Unclassified redemptions	[6] −888,013.56		−18,700.00		[6] −869,313.56
Total Series F	171,791,547.67	5,021,637.07	115,095,810.70	12,744,950.00	48,972,424.04
Series G-1950	243,618,800.00		231,263,200.00	12,355,600.00	
Series G-1951	304,520,800.00		177,918,500.00	25,206,100.00	101,396,200.00
Series G-1952	83,979,600.00		18,714,600.00		65,265,000.00
Unclassified redemptions	[6] −38,778.75		21,321.25		[6] −60,100.00
Total Series G	632,080,421.25		427,917,621.25	37,561,700.00	166,601,100.00
Series H-1952	105,225,000.00		15,116,500.00		90,108,500.00
Series H-1953	299,643,500.00		34,724,500.00		264,919,000.00
Series H-1954	574,146,000.00		24,253,500.00		549,892,500.00
Series H-1955	785,337,500.00		33,018,500.00		752,319,000.00
Series H-1956	641,513,000.00		26,173,500.00		615,339,500.00
Series H-1957 (January)	48,712,000.00		1,929,500.00		46,782,500.00
Series H-1957 (February to December)	454,607,000.00		19,560,500.00		435,046,500.00
Series H-1958	724,469,000.00		31,498,000.00		692,971,000.00
Series H-1959 (January to May)	311,340,000.00		12,481,500.00		298,858,500.00
Series H-1959 (June to December)	326,780,000.00		13,892,000.00		312,888,000.00

Series H-1960	948,510,000.00	500.00	31,074,000.00		917,436,500.00
Series H-1961	1,017,622,500.00	9,500.00	35,251,000.00		982,381,000.00
Series H-1962	430,206,500.00	426,112,500.00	18,420,000.00		837,899,000.00
Series H-1963		389,954,500.00	288,000.00		389,666,500.00
Unclassified sales and redemptions	36,591,000.00	−20,707,000.00	42,500.00		15,841,500.00
Total Series H	6,704,703,000.00	795,370,000.00	297,723,500.00		7,202,349,500.00
Series J-1952	45,628,653.99	1,490,710.37	3,073,680.56		44,045,683.80
Series J-1953	78,189,314.30	2,509,477.22	4,802,983.93		75,895,807.59
Series J-1954	147,328,623.20	4,601,841.30	9,682,554.65		142,247,909.85
Series J-1955	131,261,327.31	4,159,851.73	8,879,310.64		126,541,868.40
Series J-1956	101,780,343.40	3,111,128.98	5,321,381.74		99,570,090.64
Series J-1957	23,639,160.00	696,508.80	1,386,692.00		22,948,976.80
Unclassified redemptions	[6] −2,030.00		−2,030.00		
Total Series J	527,825,392.20	16,569,518.40	33,144,573.52		511,250,337.08
Series K-1952	135,855,500.00		8,822,000.00		127,033,500.00
Series K-1953	162,497,500.00		10,631,000.00		151,866,500.00
Series K-1954	397,643,000.00		21,353,500.00		376,289,500.00
Series K-1955	330,379,500.00		18,090,500.00		312,289,000.00
Series K-1956	204,295,000.00		12,303,000.00		191,992,000.00
Series K-1957	39,848,500.00		2,185,500.00		37,663,000.00
Unclassified redemptions					
Total Series K	1,270,519,000.00		73,385,500.00		1,197,133,500.00
Total U.S. savings bonds	47,553,158,391.83	6,128,540,139.13	5,348,200,803.99	50,306,650.00	48,283,191,076.97
U.S. retirement plan bonds		191,600.00			191,600.00
Depositary bonds:					
First Series	117,836,500.00	26,728,000.00	41,454,000.00		103,110,500.00
Treasury bonds, R.E.A. series	24,281,000.00	9,201,000.00	6,870,000.00		26,612,000.00
Treasury bonds, investment series:					
2½% Series A-1965	457,365,000.00		11,875,000.00		445,490,000.00
2¾% Series B-1975-80	4,267,923,000.00		792,432,000.00		3,475,491,000.00
Total Treasury bonds, investment series	4,725,288,000.00		804,307,000.00		3,920,981,000.00
Total nonmarketable	53,355,506,391.83	8,857,233,795.61	8,547,989,528.99	50,306,650.00	53,614,444,008.45
Total public issues	249,428,142,041.83	189,124,876,295.61	181,310,438,878.99	121,162,100.00	257,121,417,358.45

Footnotes at end of table.

TABLE 41.—*Public debt issues, redemptions, and transfers fiscal 1963 and outstanding June 30, 1962 and 1963*—Continued

Security	Outstanding June 30, 1962	Issues during year	Redemptions during year	Transferred to matured debt	Outstanding June 30, 1963 [1]
INTEREST-BEARING DEBT—Continued					
Special Issues					
Civil service retirement fund:					
4% certificates		$158,350,000.00	$158,350,000.00		
3⅞% certificates		1,222,414,000.00	1,142,166,000.00		$80,248,000.00
3¾% certificates	$210,441,000.00	620,331,000.00	830,772,000.00		
3⅞% notes		320,908,000.00			320,908,000.00
3¾% notes	243,904,000.00				243,904,000.00
2⅞% notes	279,652,000.00		69,913,000.00		209,739,000.00
2⅝% notes	512,370,000.00		230,527,000.00		281,843,000.00
2½% notes	200,000,000.00		200,000,000.00		
3⅞% bonds		2,024,661,000.00			2,024,661,000.00
3¾% bonds	1,295,200,000.00				1,295,200,000.00
2⅞% bonds	1,314,657,000.00		93,134,000.00		1,221,523,000.00
2⅝% bonds	5,364,481,000.00		382,841,000.00		4,981,640,000.00
2½% bonds	1,925,000,000.00		185,000,000.00		1,740,000,000.00
Exchange Stabilization Fund:					
2.65% certificates		433,964,085.78	433,964,085.78		
2.70% certificates		164,422,962.26	164,422,962.26		
2.75% certificates		216,089,232.70	107,942,257.94		108,146,974.76
Federal Deposit Insurance Corporation:					
2% notes	500,200,000.00	466,043,000.00	705,800,000.00		260,443,000.00
Federal disability insurance trust fund:					
4% certificates		139,875,000.00	139,875,000.00		
3⅞% certificates		669,609,000.00	663,903,000.00		5,706,000.00
3¾% certificates	1,361,000.00	318,365,000.00	319,726,000.00		
3¾% notes	82,952,000.00		31,214,000.00		51,738,000.00
2⅝% notes	223,182,000.00		190,788,000.00		32,394,000.00
2½% notes	30,000,000.00		30,000,000.00		
3⅞% bonds		153,632,000.00			153,632,000.00
3¾% bonds	492,557,000.00				492,557,000.00
2⅝% bonds	1,286,940,000.00				1,286,940,000.00
2½% bonds	187,500,000.00		45,000,000.00		142,500,000.00
Federal home loan banks:					
2⅜% certificates	24,000,000.00	2,808,550,000.00	2,510,550,000.00		322,000,000.00
2⅛% certificates	50,000,000.00	50,000,000.00	50,000,000.00		50,000,000.00
Federal Housing Administration:					
Apartment unit insurance fund:					
2% notes	850,000.00		225,000.00		625,000.00
Armed services housing mortgage insurance fund:					
2% notes	9,735,000.00	7,940,000.00	4,000,000.00		13,675,000.00

Experimental housing insurance fund:					
2% notes	850,000.00				850,000.00
Housing insurance fund:					
2% notes	3,678,000.00	550,000.00	3,070,000.00		1,158,000.00
Housing investment insurance fund:					
2% notes	70,000.00	20,000.00			90,000.00
Mutual mortgage insurance fund:					
2% notes	15,109,000.00	9,100,000.00	13,972,000.00		10,237,000.00
National defense housing insurance fund:					
2% notes	90,000.00	340,000.00			430,000.00
Section 203 home improvement account:					
2% notes	850,000.00		225,000.00		625,000.00
Section 220 home improvement account:					
2% notes	850,000.00		150,000.00		700,000.00
Section 220 housing insurance fund:					
2% notes	1,390,000.00	850,000.00	425,000.00		1,815,000.00
Servicemen's mortgage insurance fund:					
2% notes	1,575,000.00	2,250,000.00	2,200,000.00		1,625,000.00
Title I housing insurance fund:					
2% notes	690,000.00	240,000.00	240,000.00		690,000.00
Title I insurance fund:					
2% notes	23,179,000.00	3,370,000.00	12,926,000.00		13,623,000.00
War housing insurance fund:					
2% notes	9,607,000.00	9,510,000.00	11,172,000.00		7,945,000.00
Federal old-age and survivors insurance trust fund:					
4% certificates		1,905,822,000.00	1,905,822,000.00		
3⅞% certificates		7,888,966,000.00	7,888,966,000.00		
3¾% certificates	1,080,011,000.00	4,115,828,000.00	5,195,839,000.00		
3¾% notes	88,796,000.00		88,796,000.00		
2⅝% notes	168,000,000.00		168,000,000.00		
3⅞% bonds		1,738,455,000.00			1,738,455,000.00
3¾% bonds	1,240,088,000.00				1,240,088,000.00
2⅝% bonds	8,572,000,000.00				8,572,000,000.00
2½% bonds	3,924,742,000.00		1,254,134,000.00		2,670,608,000.00
Federal Savings and Loan Insurance Corporation:					
2% notes	181,500,000.00	311,000,000.00	394,406,000,00		98,094,000.00
Foreign service retirement fund:					
4% certificates	35,166,000.00	43,101,000.00	42,048,000.00		36,219,000.00
3% certificates	1,544,000.00	1,760,000.00	1,632,000.00		1,672,000.00
Government life insurance fund:					
3½% certificates	6,774,000.00		6,774,000.00		
3¾ notes	2,010,000.00		670,000.00		1,340,000.00
3½% notes	140,426,000.00		67,326,000.00		73,100,000.00
3¾% bonds	79,800,000.00				79,800,000.00
3½% bonds	798,799,000.00	50,438,000.00	475,000.00		848,762,000.00

Footnotes at end of table.

TABLE 41.—*Public debt issues, redemptions, and transfers fiscal 1963 and outstanding June 30, 1962 and 1963*—Continued

Security	Outstanding June 30, 1962	Issues during year	Redemptions during year	Transferred to matured debt	Outstanding June 30, 1963 [1]
INTEREST-BEARING DEBT—Continued					
Special Issues—Continued					
Highway trust fund:					
3¼% certificates	$435,935,000.00	$213,692,000.00	$649,627,000.00		
3⅜% certificates		922,941,000.00	245,198,000.00		$677,743,000.00
National service life insurance fund:					
3⅜% certificates		6,601,000.00	6,601,000.00		
3¼% certificates	1,000,000.00	14,587,000.00	15,587,000.00		
3¾% notes	23,619,000.00		7,873,000.00		15,746,000.00
3% notes	758,000,000.00		379,000,000.00		379,000,000.00
3¾% bonds	457,730,000.00				457,730,000.00
3⅜% bonds		298,259,000.00			298,259,000.00
3¼% bonds	430,031,000.00				430,031,000.00
3⅛% bonds	343,149,000.00				343,149,000.00
3% bonds	3,790,000,000.00				3,790,000,000.00
Postal savings system:					
2% notes	26,000,000.00		26,000,000.00		
Railroad retirement account:					
3% notes	3,315,785,000.00	1,103,889,000.00	1,633,588,000.00		2,786,086,000.00
Unemployment trust fund:					
3¼% certificates		7,984,843,000.00	3,182,223,000.00		4,802,620,000.00
3⅛% certificates	4,656,911,000.00	943,974,000.00	5,600,885,000.00		
Veterans' special term insurance fund:					
3⅜% certificates		104,053,000.00	3,465,000.00		100,588,000.00
3¼% certificates		7,113,000.00	7,113,000.00		
3⅛% certificates	87,956,000.00	6,273,000.00	94,229,000.00		
Total special issues	44,938,692,000.00	37,462,979,280.74	37,600,770,305.98		44,800,900,974.76
Total interest-bearing debt	294,366,834,041.83	226,587,855,576.35	218,911,209,184.97	$121,162,100.00	301,922,318,333.21

Security	Outstanding June 30, 1962	Issues during year	Transferred from interest-bearing debt	Redemptions during year	Outstanding June 30, 1963 [1]
MATURED DEBT ON WHICH INTEREST HAS CEASED					
Old debt—issued prior to Apr. 1, 1917:					
6% compound interest notes 1864–66	$155,960.00				$155,960.00
3% loan of 1908–18	98,100.00				98,100.00
2½% postal savings bonds	419,760.00			$30,960.00	388,800.00
2% consols of 1930	9,800.00				9,800.00
4% funded loan of 1907	342,950.00			100.00	342,850.00
3% Panama Canal loan of 1961	160,200.00			20,800.00	139,400.00
All others [7]	763,680.26				763,680.26
Total old debt—issued prior to Apr. 1, 1917	1,950,450.26			51,860.00	1,898,590.26
Liberty loan bonds:					
First Liberty loan:					
First 3½'s	296,250.00			5,300.00	290,950.00
First 4's	89,100.00			450.00	88,650.00
First 4¼'s	255,150.00			19,050.00	236,100.00
First-Second 4¼'s	3,050.00				3,050.00
Total	643,550.00			24,800.00	618,750.00
Second Liberty loan:					
Second 4's	343,850.00			1,350.00	342,500.00
Second 4¼'s	366,400.00			2,300.00	364,100.00
Total	710,250.00			3,650.00	706,600.00
Third Liberty loan 4¼'s	1,223,050.00			4,100.00	1,218,950.00
Fourth Liberty loan 4¼'s	2,470,250.00			74,400.00	2,395,850.00
Total Liberty loan bonds	5,047,100.00			106,950.00	4,940,150.00
Victory notes:					
Victory 3¾'s	700.00				700.00
Victory 4¾'s	397,550.00			950.00	396,600.00
Total Victory notes	398,250.00			950.00	397,300.00
Treasury bonds:					
3⅜% of 1940–43	19,050.00			100.00	18,950.00
3⅜% of 1941–43	44,550.00			10,350.00	34,200.00
3¼% of 1941	16,250.00			1,050.00	15,200.00

Footnotes at end of table.

TABLE 41.—*Public debt issues, redemptions, and transfers fiscal 1963 and outstanding June 30, 1962 and 1963*—Continued

Security	Outstanding June 30, 1962	Issues during year	Transferred from interest-bearing debt	Redemptions during year	Outstanding June 30, 1963 [1]
MATURED DEBT ON WHICH INTEREST HAS CEASED—Continued					
Treasury bonds—Continued					
3⅜% of 1943–47	$65,250.00			$2,100.00	$63,150.00
3¼% of 1943–45	169,650.00			4,200.00	165,450.00
3¼% of 1944–46	394,600.00			49,800.00	344,800.00
4% of 1944–54	223,200.00			25,600.00	197,600.00
2¾% of 1945–47	148,750.00			12,600.00	136,150.00
2½% of 1945	5,500.00			3,000.00	2,500.00
3¾% of 1946–56	93,800.00			5,400.00	88,400.00
3% of 1946–48	83,900.00			24,700.00	59,200.00
3⅛% of 1946–49	302,950.00			13,200.00	289,750.00
4¼% of 1947–52	437,300.00			39,900.00	397,400.00
2% of 1947	10,850.00			10,500.00	350.00
2% of 1948–50 (dated Mar. 15, 1941)	2,300.00				2,300.00
2¾% of 1948–51	9,300.00				9,300.00
1¾% of 1948	77,000.00			10,500.00	66,500.00
2½% of 1948	4,050.00				4,050.00
2% of 1948–50 (dated Dec. 8, 1939)	4,300.00			1,550.00	2,750.00
2% of 1949–51 (dated Jan. 15, 1942)	1,150.00				1,150.00
2% of 1949–51 (dated May 15, 1942)	29,000.00				29,000.00
2% of 1949–51 (dated July 15, 1942)	24,800.00			500.00	24,300.00
3⅛% of 1949–52	37,600.00			3,100.00	34,500.00
2½% of 1949–53	183,750.00			20,300.00	163,450.00
1½% of 1950	539,500.00			27,000.00	512,500.00
2% of 1950–52 (dated Oct. 19, 1942)	23,400.00			400.00	23,000.00
2½% of 1950–52	102,050.00			100.00	101,950.00
2% of 1950–52 (dated Apr. 15, 1943)	383,500.00			53,000.00	330,500.00
2¼% of 1951–53	57,550.00			6,100.00	51,450.00
2% of 1951–53	1,055,000.00			226,000.00	829,000.00
2¾% of 1951–54	139,000.00			6,000.00	133,000.00
2% of 1951–55	167,600.00			18,700.00	148,900.00
3% of 1951–55	930,950.00			58,700.00	872,250.00
2½% of 1952–54	180,050.00			4,100.00	175,950.00
2% of 1952–54 (dated June 26, 1944)	1,053,000.00			155,500.00	897,500.00
2% of 1952–54 (dated Dec. 1, 1944)	2,214,000.00			260,000.00	1,954,000.00
2¼% of 1952–55	146,550.00			4,600.00	141,950.00
2% of 1953–55	77,900.00			6,300.00	71,600.00
2¼% of 1954–56	107,350.00			14,500.00	92,850.00
2⅞% of 1955–60	2,349,350.00			282,450.00	2,066,900.00
2½% of 1956–58	222,300.00			92,650.00	129,650.00
2¾% of 1956–59	264,400.00			38,200.00	226,200.00
2¼% of 1956–59	2,406,000.00			561,000.00	1,845,000.00

2⅜% of 1957–59	118,000.00			48,000.00	70,000.00
2½% of 1958	242,500.00			31,000.00	211,500.00
2⅜% of 1958	217,000.00			53,000.00	164,000.00
2¾% of 1958–63	332,350.00			83,750.00	248,600.00
2⅛% of 1960	312,500.00			114,500.00	198,000.00
2¾% of 1961	3,195,500.00			1,854,500.00	1,341,000.00
2½% of 1961	7,912,500.00			4,773,500.00	3,139,000.00
2¼% of 1959–62 (dated June 1, 1945)	76,351,000.00			66,835,000.00	9,516,000.00
2¼% of 1959–62 (dated Nov. 15, 1945)			$11,832,000.00		11,832,000.00
2¾% of 1960–65			14,905,450.00		14,905,450.00
Total Treasury bonds	103,489,650.00		26,737,450.00	75,847,000.00	54,380,100.00
3% Adjusted service bonds of 1945	1,746,450.00			132,300.00	1,614,150.00
U.S. savings bonds:					
Series A–1935	412,100.00			42,500.00	369,600.00
Series B–1936	779,125.00			102,100.00	677,025.00
Series C–1937	915,125.00			116,175.00	798,950.00
Series C–1938	1,339,850.00			137,000.00	1,202,850.00
Series D–1939	2,160,475.00			286,425.00	1,874,050.00
Series D–1940	4,639,525.00			625,500.00	4,014,025.00
Series D–1941	5,110,775.00			770,550.00	5,340,225.00
Series F–1941	1,412,950.00			626,025.00	786,925.00
Series F–1942	8,290,575.00	−$50.16		4,787,324.84	3,503,200.00
Series F–1943	11,944,675.00	−1,005.50		6,977,894.50	4,965,775.00
Series F–1944	11,392,800.00	−304.00		6,947,396.00	4,445,100.00
Series F–1945	8,215,250.00	−5.35		4,905,069.65	3,310,175.00
Series F–1946	5,676,850.00			3,457,150.00	2,219,700.00
Series F–1947	5,935,250.00			4,094,500.00	1,840,750.00
Series F–1948	5,831,675.00			4,235,350.00	1,596,325.00
Series F–1949	10,221,250.00			7,635,675.00	2,585,575.00
Series F–1950	12,679,750.00		4,009,775.00	8,836,400.00	7,853,125.00
Series F–1951			8,735,175.00		8,735,175.00
Series G–1941	758,100.00			123,800.00	634,300.00
Series G–1942	4,401,100.00			867,500.00	3,533,600.00
Series G–1943	7,917,800.00			1,492,800.00	6,425,000.00
Series G–1944	10,943,500.00			2,116,100.00	8,827,400.00
Series G–1945	11,057,500.00			2,436,500.00	8,621,000.00
Series G–1946	11,666,100.00			3,025,500.00	8,640,600.00
Series G–1947	16,444,500.00			5,068,700.00	11,375,800.00
Series G–1948	18,995,700.00			6,660,100.00	12,335,600.00
Series G–1949	34,937,400.00			16,629,900.00	18,307,500.00
Series G–1950	43,084,800.00		12,355,600.00	29,883,300.00	25,557,100.00
Series G–1951			25,206,100.00		25,206,100.00
Total U.S. savings bonds	257,164,500.00	−1,365.01	50,306,650.00	122,887,234.99	184,582,550.00

Footnotes at end of table.

TABLE 41.—*Public debt issues, redemptions, and transfers fiscal 1963 and outstanding June 30, 1962 and 1963*—Continued

Security	Outstanding June 30, 1962	Issues during year	Transferred from interest-bearing debt	Redemptions during year	Outstanding June 30, 1963 [1]
MATURED DEBT ON WHICH INTEREST HAS CEASED—Continued					
Armed Forces leave bonds:					
Series 1943:					
Apr. 1, 1943	$21,975.00			$1,250.00	$20,725.00
July 1, 1943	38,275.00			3,225.00	35,050.00
Oct. 1, 1943	59,200.00			3,600.00	55,600.00
Series 1944:					
Jan. 1, 1944	60,900.00			5,075.00	55,825.00
Apr. 1, 1944	44,650.00			3,750.00	40,900.00
July 1, 1944	48,225.00			3,550.00	44,675.00
Oct. 1, 1944	54,100.00			4,125.00	49,975.00
Series 1945:					
Jan. 1, 1945	111,950.00			10,400.00	101,550.00
Apr. 1, 1945	95,325.00			8,000.00	87,325.00
July 1, 1945	234,750.00			21,150.00	213,600.00
Oct. 1, 1945	895,325.00			83,775.00	811,550.00
Series 1946:					
Jan. 1, 1946	3,671,275.00			387,150.00	3,284,125.00
Apr. 1, 1946	1,891,925.00			196,850.00	1,695,075.00
July 1, 1946	707,575.00			75,975.00	631,600.00
Oct. 1, 1946	805,725.00			89,450.00	716,275.00
Total Armed Forces leave bonds	8,741,175.00			897,325.00	7,843,850.00
Treasury notes:					
Regular series:					
5¾% A-1924	6,200.00				6,200.00
4¾% A-1925	1,000.00				1,000.00
4⅜% B-1925	6,600.00				6,600.00
4½% C-1925	5,700.00				5,700.00
4¾% A-1926	2,600.00				2,600.00
4¼% B-1926	1,600.00				1,600.00
4½% A-1927	2,200.00				2,200.00
4¾% B-1927	9,500.00				9,500.00
3½% A-1930-32	80,500.00				80,500.00
3½% B-1930-32	9,600.00				9,600.00
3½% C-1930-32	6,600.00				6,600.00
2⅛% B-1934	5,000.00			5,000.00	
3% A-1935	3,000.00				3,000.00
3¼% A-1936	1,300.00				1,300.00
2¾% B-1936	1,000.00				1,000.00
2⅞% C-1936	5,500.00				5,500.00

3¼% A-1937	11,600.00				11,600.00
3% B-1937	28,000.00				28,000.00
2⅞% B-1938	5,000.00				5,000.00
2½% D-1938	1,400.00				1,400.00
2⅛% A-1939	30,200.00				30,200.00
1⅜% B-1939	100.00				100.00
1½% C-1939	1,100.00				1,100.00
1⅝% A-1940	150.00				150.00
1½% C-1940	10,000.00			5,000.00	5,000.00
1⅜% B-1941	5,000.00			5,000.00	
1¼% C-1941	5,000.00			5,000.00	
1¾% A-1942	22,000.00			5,000.00	17,000.00
2% B-1942	2,000.00				2,000.00
1¾% C-1942	53,000.00				53,000.00
1⅛% A-1943	3,500.00				3,500.00
1½% B-1943	80,100.00				80,100.00
1% C-1943	310,300.00				310,300.00
¾% A-1944	310,000.00				310,000.00
1% B-1944	740,000.00				740,000.00
1% C-1944	85,000.00			5,000.00	80,000.00
¾% D-1944	500.00				500.00
¾% A-1945	2,270,300.00				2,270,300.00
¾% B-1945	2,000.00			500.00	1,500.00
1½% A-1947	1,000.00				1,000.00
1¼% B-1947	62,000.00			28,000.00	34,000.00
1¼% C-1947	62,000.00			3,000.00	59,000.00
1½% A-1948	8,000.00				8,000.00
1⅛% A-1949	5,000.00			5,000.00	
1⅜% A-1950	37,000.00				37,000.00
1¼% G-1951	4,000.00				4,000.00
2⅛% A-1953	3,000.00				3,000.00
1⅜% A-1954	44,000.00			5,000.00	39,000.00
1⅞% B-1954	1,000.00				1,000.00
1½% A-1955	25,000.00				25,000.00
1¾% B-1955	71,000.00			19,000.00	52,000.00
1⅝% A-1956	1,000.00				1,000.00
2% B-1956	7,000.00			2,000.00	5,000.00
2⅞% A-1957	46,000.00			8,000.00	38,000.00
1⅝% B-1957	6,000.00			6,000.00	
2% C-1957	5,000.00				5,000.00
2⅞% A-1958	82,000.00			7,000.00	75,000.00
1⅞% A-1959	95,000.00			38,000.00	57,000.00
3½% B-1959	51,000.00			24,000.00	27,000.00
3½% A-1960	402,000.00			129,000.00	273,000.00
3¼% B-1960	178,000.00			80,000.00	98,000.00
4¾% C-1960	249,000.00			116,000.00	133,000.00
4% A-1961	2,021,000.00			1,312,000.00	709,000.00
3⅝% B-1961	345,000.00			187,000.00	158,000.00
3⅝% A-1962	1,244,000.00			894,000.00	350,000.00
4% B-1962			$1,353,000.00		1,353,000.00
3¾% C-1962			870,000.00		870,000.00

Footnotes at end of table.

TABLE 41.—*Public debt issues, redemptions, and transfers fiscal 1963 and outstanding June 30, 1962 and 1963*—Continued

Security	Outstanding June 30, 1962	Issues during year	Transferred from interest-bearing debt	Redemptions during year	Outstanding June 30, 1963 [1]
MATURED DEBT ON WHICH INTEREST HAS CEASED—Continued					
Treasury notes—Continued					
Regular series—Continued					
4% D-1962	$2,780,000.00			$2,183,000.00	$597,000.00
4% E-1962	5,591,000.00			5,064,000.00	527,000.00
3¼% F-1962	759,000.00			603,000.00	156,000.00
3¼% G-1962			$150,000.00		150,000.00
3¼% H-1962			183,000.00		183,000.00
2⅝% A-1963			2,507,000.00		2,507,000.00
4% B-1963			18,466,000.00		18,466,000.00
3¼% D-1963			2,664,000.00		2,664,000.00
3¼% E-1963			446,000.00		446,000.00
1½% EA-1956	1,000.00				1,000.00
1½% EO-1957	10,000.00				10,000.00
1½% EA-1958	12,000.00				12,000.00
1½% EO-1958	1,000.00				1,000.00
1½% EA-1959	15,000.00				15,000.00
1½% EO-1959	2,000.00			2,000.00	
1½% EA-1960	1,000.00				1,000.00
1½% EA-1961	50,000.00			40,000.00	10,000.00
1½% EO-1961	108,000.00			98,000.00	10,000.00
1½% EA-1962	858,000.00			783,000.00	75,000.00
1½% EO-1962			134,000.00		134,000.00
1½% EA-1963			385,000.00		385,000.00
Tax series:					
A-1943	9,050.00			100.00	8,950.00
B-1943	6,600.00				6,600.00
A-1944	11,825.00			2,175.00	9,650.00
B-1944	2,000.00				2,000.00
A-1945	104,850.00			11,050.00	93,800.00
Savings series:					
C-1946	84,300.00			22,000.00	62,300.00
C-1947	192,000.00			16,800.00	17,200.00
C-1948	134,100.00			30,900.00	153,200.00
C-1949	44,000.00			17,500.00	206,500.00
C-1950	8,600.00				28,600.00
D-1951	21,200.00			6,000.00	5,200.00
D-1952	22,700.00			1,700.00	11,000.00
D-1953	86,000.00				26,000.00
D-1954	216,500.00			34,500.00	82,000.00
A-1954	34,000.00				184,000.00
A-1955	95,600.00			20,000.00	35,600.00
B-1955	34,400.00			3,400.00	71,000.00
C-1955-A	6,800.00			5,000.00	31,800.00
A-1956	22,200.00			700.00	21,500.00
Total Treasury notes	20,503,875.00		27,158,000.00	11,838,325.00	35,823,550.00

Certificates of indebtedness:					
Tax series:					
4½% T-10	1,000.00				1,000.00
4¾% TM-1921	500.00				500.00
6% TJ-1921	1,500.00				1,500.00
6% TS-1921	1,500.00				1,500.00
6% TD-1921	2,000.00				2,000.00
5½% TS2-1921	1,000.00				1,000.00
5¾% TM-1922	1,000.00				1,000.00
4½% TS2-1922	500.00				500.00
4½% TD-1922	1,000.00				1,000.00
4¼% TM-1923	1,000.00				1,000.00
3¾% TS-1923	500.00				500.00
4½% TM-1924	1,000.00				1,000.00
4% TM-1925	1,000.00				1,000.00
4½% TJ-1929	1,100.00				1,100.00
4¾% TD2-1929	500.00			500.00	
5⅛% TM-1930	2,000.00				2,000.00
1⅛% TS-1932	3,500.00				3,500.00
3¾% TM-1933	12,500.00				12,500.00
2% First—matured Mar. 15, 1933	4,950.00			50.00	4,900.00
1¼% TS-1933	10,000.00			10,000.00	
4¼% TD2-1933	1,000.00				1,000.00
Regular:					
4½% IVA-1918	500.00				500.00
5¼% G-1920	1,000.00				1,000.00
5½% H-1921	500.00				500.00
5½% A-1922	1,000.00				1,000.00
3¾% A-1933	500.00				500.00
⅞% B-1944	72,000.00			50,000.00	22,000.00
⅞% E-1944	84,000.00			11,000.00	73,000.00
⅞% A-1945	77,000.00			6,000.00	71,000.00
⅞% C-1945	20,000.00				20,000.00
⅞% H-1945	17,000.00			9,000.00	8,000.00
⅞% B-1946	1,000.00				1,000.00
⅞% E-1946	93,000.00			17,000.00	76,000.00
⅞% K-1946	25,000.00			9,000.00	16,000.00
⅞% E-1947	51,000.00				51,000.00
⅞% F-1947	1,000.00				1,000.00
⅞% C-1948	2,000.00				2,000.00
1⅛% C-1949	5,000.00			5,000.00	
1¼% A-1950	9,000.00				9,000.00
1⅞% C-1952	2,000.00				2,000.00
2⅝% B-1954	18,000.00				18,000.00
Tax anticipation:					
2½% C-1954	2,000.00				2,000.00
Regular:					
2⅝% D-1954	1,000.00				1,000.00
2⅝% E-1954	6,000.00				6,000.00
1⅛% D-1955	5,000.00				5,000.00
1¼% E-1955	2,000.00			2,000.00	
2⅝% D-1956	1,000.00			1,000.00	
2⅜% A-1958	19,000.00			4,000.00	15,000.00
4% C-1958	22,000.00			11,000.00	11,000.00
2½% A-1959	5,000.00			5,000.00	

Footnotes at end of table.

TABLE 41.—*Public debt issues, redemptions, and transfers fiscal 1963 and outstanding June 30, 1962 and 1963*—Continued

Security	Outstanding June 30, 1962	Issues during year	Transferred from interest-bearing debt	Redemptions during year	Outstanding June 30, 1963 [1]
MATURED DEBT ON WHICH INTEREST HAS CEASED—Continued					
Certificates of indebtedness—Continued					
Regular—Continued					
1¼% B-1959	$10,000.00				$10,000.00
3¾% E-1959	14,000.00			$10,000.00	4,000.00
3¾% A-1960	33,000.00			3,000.00	30,000.00
4% B-1960	38,000.00			26,000.00	12,000.00
4¾% C-1960	131,000.00			20,000.00	111,000.00
4⅞% A-1961	177,000.00			70,000.00	107,000.00
4⅜% B-1961	29,000.00			9,000.00	20,000.00
3⅛% C-1961	46,000.00			30,000.00	16,000.00
3% A-1962	1,024,000.00			994,000.00	30,000.00
3½% A-1963			$301,000.00		301,000.00
3¼% B-1963			839,000.00		839,000.00
Total certificates of indebtedness	2,094,550.00		1,140,000.00	1,302,550.00	1,932,000.00
Treasury bills, maturity date:					
Regular:					
June 5, 1940	30,000.00				30,000.00
Jan. 14, 1942	4,000.00				4,000.00
Feb. 3, 1943	1,000.00				1,000.00
July 29, 1954	5,000.00				5,000.00
May 19, 1955	1,000.00				1,000.00
Aug. 23, 1956	5,000.00			5,000.00	
Aug. 15, 1957	5,000.00				5,000.00
Oct. 24, 1957	8,000.00				8,000.00
Jan. 23, 1958	5,000.00				5,000.00
Apr. 15, 1958	10,000.00				10,000.00
Apr. 17, 1958	30,000.00				30,000.00
Apr. 24, 1958	15,000.00				15,000.00
Apr. 23, 1959	5,000.00				5,000.00
Other (fixed price):					
May 15, 1959	11,000.00				11,000.00
Tax anticipation:					
June 22, 1959	20,000.00			20,000.00	
Regular:					
Sept. 3, 1959	20,000.00				20,000.00
Dec. 10, 1959	3,000.00				3,000.00
Jan. 14, 1960	1,000.00				1,000.00

Tax anticipation:					
Mar. 22, 1960	30,000.00				30,000.00
Regular:					
Apr. 7, 1960	4,000.00			4,000.00	
Other:					
Apr. 15, 1960	44,000.00				44,000.00
Regular:					
Apr. 21, 1960	1,000.00				1,000.00
May 5, 1960	1,000.00				1,000.00
June 9, 1960	10,000.00				10,000.00
Tax anticipation:					
June 22, 1960	23,000.00			15,000.00	8,000.00
Other:					
July 15, 1960	167,000.00			122,000.00	45,000.00
Regular:					
July 21, 1960	25,000.00				25,000.00
Aug. 4, 1960	12,000.00				12,000.00
Aug. 11, 1960	3,000.00				3,000.00
Sept. 29, 1960	20,000.00				20,000.00
Oct. 17, 1960	22,000.00			7,000.00	15,000.00
Dec. 8, 1960	100,000.00				100,000.00
Jan. 5, 1961	50,000.00				50,000.00
Jan. 12, 1961	1,000.00			1,000.00	
Other:					
Jan. 15, 1961	594,000.00			315,000.00	279,000.00
Regular:					
Jan. 19, 1961	6,000.00				6,000.00
Jan. 26, 1961	21,000.00			20,000.00	1,000.00
Feb. 16, 1961	18,000.00				18,000.00
Mar. 2, 1961	21,000.00			21,000.00	
Tax anticipation:					
Mar. 22, 1961	21,000.00			21,000.00	
Regular:					
Mar. 23, 1961	39,000.00			2,000.00	37,000.00
Mar. 30, 1961	25,000.00			25,000.00	
Apr. 6, 1961	5,000.00			5,000.00	
Apr. 13, 1961	26,000.00			26,000.00	
Other:					
Apr. 15, 1961	93,000.00			48,000.00	45,000.00
Regular:					
Apr. 20, 1961	1,000.00				1,000.00
June 8, 1961	61,000.00			6,000.00	55,000.00
June 29, 1961	11,000.00			11,000.00	
Regular:					
July 6, 1961	11,000.00			11,000.00	
July 13, 1961	5,000.00				5,000.00
Other:					
July 15, 1961	30,000.00			30,000.00	
Regular:					
July 27, 1961	10,000.00				10,000.00
Sept. 28, 1961	4,000.00				4,000.00
Oct. 5, 1961	100,000.00				100,000.00
Oct. 13, 1961	41,000.00			31,000.00	10,000.00

Footnotes at end of table.

TABLE 41.—*Public debt issues, redemptions, and transfers fiscal 1963 and outstanding June 30, 1962 and 1963*—Continued

Security	Outstanding June 30, 1962	Issues during year	Transferred from interest-bearing debt	Redemptions during year	Outstanding June 30, 1963 [1]
MATURED DEBT ON WHICH INTEREST HAS CEASED—Continued					
Treasury bills, maturity date—Continued					
Other:					
Oct. 16, 1961	$192,000.00			$102,000.00	$90,000.00
Regular:					
Nov. 2, 1961	20,000.00			20,000.00	
Nov. 9, 1961	29,000.00			29,000.00	
Nov. 16, 1961	2,000.00			2,000.00	
Nov. 24, 1961	10,000.00			10,000.00	
Dec. 7, 1961	5,000.00			5,000.00	
Dec. 28, 1961	26,000.00			11,000.00	15,000.00
Jan. 4, 1962	2,000.00			2,000.00	
Other:					
Jan. 15, 1962	114,000.00			95,000.00	19,000.00
Regular:					
Jan. 18, 1962	49,000.00			49,000.00	
Jan. 25, 1962	10,000.00			10,000.00	
Feb. 1, 1962	12,000.00			6,000.00	6,000.00
Feb. 8, 1962	110,000.00			110,000.00	
Feb. 15, 1962	13,000.00			13,000.00	
Feb. 23, 1962	143,000.00			138,000.00	5,000.00
Mar. 1, 1962	162,000.00			155,000.00	7,000.00
Mar. 8, 1962	9,000.00			9,000.00	
Mar. 15, 1962	71,000.00			60,000.00	11,000.00
Mar. 22, 1962	47,000.00			47,000.00	
Tax anticipation:					
Mar. 23, 1962	28,000.00			3,000.00	25,000.00
Regular:					
Mar. 29, 1962	67,000.00			67,000.00	
Apr. 5, 1962	47,000.00			47,000.00	
Apr. 12, 1962	176,000.00			176,000.00	
Other:					
Apr. 15, 1962	690,000.00			681,000.00	9,000.00
Regular:					
Apr. 19, 1962	104,000.00			104,000.00	
Apr. 26, 1962	186,000.00			186,000.00	
May 3, 1962	531,000.00			531,000.00	
May 10, 1962	197,000.00			197,000.00	
May 17, 1962	103,000.00			103,000.00	
May 24, 1962	438,000.00			407,000.00	31,000.00
May 31, 1962	209,000.00			209,000.00	
June 7, 1962	290,000.00			290,000.00	
June 14, 1962	612,000.00			612,000.00	
June 21, 1962	1,427,000.00			1,427,000.00	
Tax anticipation:					
June 22, 1962	36,201,000.00			36,201,000.00	

Regular:					
June 28, 1962	3,713,000.00			3,713,000.00	
July 5, 1962			$50,000.00		50,000.00
July 12, 1962			5,000.00		5,000.00
Other:					
July 15, 1962			40,000.00		40,000.00
Regular:					
Aug. 2, 1962			5,000.00		5,000.00
Sept. 6, 1962			5,000.00		5,000.00
Sept. 13, 1962			1,000.00		1,000.00
Oct. 15, 1962			30,000.00		30,000.00
Nov. 1, 1962			11,000.00		11,000.00
Nov. 8, 1962			9,000.00		9,000.00
Nov. 23, 1962			57,000.00		57,000.00
Nov. 29, 1962			100,000.00		100,000.00
Dec. 13, 1962			20,000.00		20,000.00
Dec. 20, 1962			20,000.00		20,000.00
Dec. 27, 1962			27,000.00		27,000.00
Jan. 10, 1963			16,000.00		16,000.00
Other:					
Jan. 15, 1963			232,000.00		232,000.00
Regular:					
Jan. 17, 1963			57,000.00		57,000.00
Jan. 31, 1963			30,000.00		30,000.00
Feb. 7, 1963			36,000.00		36,000.00
Feb. 21, 1963			10,000.00		10,000.00
Regular:					
Mar. 7, 1963			132,000.00		132,000.00
Mar. 14, 1963			240,000.00		240,000.00
Mar. 21, 1963			68,000.00		68,000.00
Tax anticipation:					
Mar. 22, 1963			43,000.00		43,000.00
Regular:					
Mar. 28, 1963			92,000.00		92,000.00
Apr. 4, 1963			156,000.00		156,000.00
Apr. 11, 1963			108,000.00		108,000.00
Other:					
Apr. 15, 1963			360,000.00		360,000.00
Regular:					
Apr. 18, 1963			149,000.00		149,000.00
Apr. 25, 1963			110,000.00		110,000.00
May 2, 1963			317,000.00		317,000.00
May 9, 1963			311,000.00		311,000.00
May 16, 1963			238,000.00		238,000.00
May 23, 1963			170,000.00		170,000.00
May 31, 1963			218,000.00		218,000.00
June 6, 1963			535,000.00		535,000.00
June 13, 1963			1,363,000.00		1,363,000.00
June 20, 1963			1,670,000.00		1,670,000.00
Tax anticipation:					
June 24, 1963			6,321,000.00		6,321,000.00
Regular:					
June 27, 1963			2,458,000.00		2,458,000.00
Total Treasury bills	47,880,000.00		15,820,000.00	46,573,000.00	17,127,000.00

Footnotes at end of table.

TABLE 41.—*Public debt issues, redemptions, and transfers fiscal 1963 and outstanding June 30, 1962 and 1963*—Continued

Security	Outstanding June 30, 1962	Issues during year	Transferred from interest-bearing debt	Redemptions during year	Outstanding June 30, 1963 [1]
MATURED DEBT ON WHICH INTEREST HAS CEASED—Continued					
Treasury savings certificates:					
Issued Dec. 15, 1921	$9,200.00			$1,275.00	$7,925.00
Issued Sept. 30, 1922	48,150.00			150.00	48,000.00
Issued Dec. 1, 1923	15,725.00			50.00	15,675.00
Total Treasury savings certificates	73,075.00			1,475.00	71,600.00
Total matured debt on which interest has ceased	449,089,075.26	−$1,365.01	$121,162,100.00	259,638,969.99	310,610,840.26
DEBT BEARING NO INTEREST					
U.S. savings stamps	52,364,916.66	18,535,157.90		17,545,487.40	53,354,587.16
Excess profits tax refund bonds:					
First Series	405,916.15			13,993.00	391,923.15
Second Series	322,644.88			18,598.54	304,046.34
Special notes of the United States:					
International Monetary Fund, various issue dates	2,667,000,000.00	381,000,000.00		126,000,000.00	2,922,000,000.00
International Development Association, various issue dates	115,304,400.00	57,652,200.00		44,000,000.00	128,956,600.00
Inter-American Development Bank, various issue dates	55,000,000.00	70,000,000.00			125,000,000.00
U.S. notes (less gold reserve)	190,641,585.07				190,641,585.07
Old demand notes	52,917.50				52,917.50
National and Federal Reserve Bank notes	138,541,170.50			22,807,063.50	115,734,107.00
Fractional currency	1,965,314.82				1,965,314.82
Old series currency	95,655,198.00			42,596,961.50	53,058,236.50
Thrift and Treasury savings stamps	3,703,120.00			905.50	3,702,214.50
Total debt bearing no interest	3,320,957,183.58	527,187,357.90		252,983,009.44	3,595,161,532.04
Total gross public debt [8]	298,136,880,300.67	227,115,041,569.24		219,423,831,164.40	305,828,090,705.51

[1] Reconciliation by security classes to the basis of the daily Treasury statement is shown in summary table 32.
[2] Treasury bills are shown at maturity value.
[3] Consists of a strip issued on Nov. 15, 1962, of additional amounts of 10 series of outstanding Treasury bills dated from July 19 through Sept. 20, 1962, and maturing each week from Jan. 17 through Mar. 21, 1963.
[4] Excludes $100,131,000 issued on Nov. 15, 1962 (see footnote 3).
[5] Amounts issued and retired for Series E, F, and J include accrued discount; amounts outstanding are stated at current redemption values. Amounts issued, retired, and outstanding for Series G, H, and K are stated at par value.
[6] Excess of unclassified redemptions over unclassified sales.
[7] Consists of issues in which there have been no transactions since the fiscal year 1956; for amount of each issue outstanding (unchanged since June 30, 1956) see 1956 annual report, p. 435.
[8] Includes public debt incurred to finance expenditures of certain wholly owned Government corporations and other business-type activities in exchange for which their obligations were issued to the Treasury (see table 111).

TABLE 42.—*Issues, maturities, and redemptions of interest-bearing public debt securities, excluding special issues, July 1962–June 1963*

[On basis of daily Treasury statements, supplemented by special statements by the Bureau of the Public Debt on public debt transactions]

Date	Security	Rate of interest [1]	Amount issued [2]	Amount matured or called or redeemed prior to maturity [3]
	Treasury bills:			
1962	Regular weekly:			
July 5	Issued Jan. 4, 1962:			
	Redeemed in exchange for series dated July 5, 1962, due Oct. 4, 1962	*Percent* [4] 2.818		$172,766,000.00
	Redeemed in exchange for series dated July 5, 1962, due Jan. 3, 1963			55,083,000.00
	Redeemable for cash			1,573,253,000.00
5	Maturing Oct. 4, 1962:			
	Issued in exchange for series dated Jan. 4, 1962	2.930	$172,766,000.00	
	Issued for cash		1,127,764,000.00	
5	Maturing Jan. 3, 1963:			
	Issued in exchange for series dated Jan. 4, 1962	3.008	55,083,000.00	
	Issued for cash		645,098,000.00	
12	Issued Jan. 11, 1962:			
	Redeemed in exchange for series dated July 12, 1962, due Oct. 11, 1962	[4] 2.838		13,428,000.00
	Redeemed in exchange for series dated July 12, 1962, due Jan. 10, 1963			1,955,000.00
	Redeemable for cash			1,784,829,000.00
12	Maturing Oct. 11, 1962:			
	Issued in exchange for series dated Jan. 11, 1962	2.974	13,428,000.00	
	Issued for cash		1,287,935,000.00	
12	Maturing Jan. 10, 1963:			
	Issued in exchange for series dated Jan. 11, 1962	3.096	1,955,000.00	
	Issued for cash		698,139,000.00	
	Other:			
15	Issued July 15, 1961:			
	Redeemed in exchange for series dated July 15, 1962, due July 15, 1963	2.908		16,250,000.00
	Redeemable for cash			1,987,266,000.00
15	Maturing July 15, 1963:			
	Issued in exchange for series dated July 15, 1961	3.257	16,250,000.00	
	Issued for cash		1,987,341,000.00	
17	Certificates of indebtedness, foreign series, maturing Oct. 17, 1962	2.000	15,000,000.00	
	Treasury bills:			
	Regular weekly:			
19	Issued Jan. 18, 1962:			
	Redeemed in exchange for series dated July 19, 1962, due Oct. 18, 1962	[4] 2.805		85,775,000.00
	Redeemed in exchange for series dated July 19, 1962, due Jan. 17, 1963			25,077,000.00
	Redeemable for cash			1,690,584,000.00
19	Maturing Oct. 18, 1962:			
	Issued in exchange for series dated Jan. 18, 1962	2.983	85,775,000.00	
	Issued for cash		1,216,690,000.00	
19	Maturing Jan. 17, 1963:			
	Issued in exchange for series dated Jan. 18, 1962	3.133	25,077,000.00	
	Issued for cash		674,981,000.00	
25	Certificates of indebtedness, foreign series, maturing Oct. 25, 1962	2.00	10,000,000.00	
26	Certificates of indebtedness, foreign series, maturing Oct. 26, 1962	2.00	15,000,000.00	
26	Certificates of indebtedness, foreign series, maturing Sept. 26, 1962	2.79	20,000,000.00	
26	Certificates of indebtedness, foreign currency series, maturing July 26, 1962	2.75		24,978,250.00
26	Certificates of indebtedness, foreign currency series, maturing Oct. 26, 1962	2.90	24,978,250.00	

Footnotes at end of table.

TABLE 42.—*Issues, maturities, and redemptions of interest-bearing public debt securities, excluding special issues, July 1962–June 1963*—Continued

Date	Security	Rate of interest [1]	Amount issued [2]	Amount matured or called or redeemed prior to maturity [3]
	Treasury bills:			
1962	Regular weekly:			
July 26	Issued Jan. 25, 1962:			
	Redeemed in exchange for series dated July 26, 1962, due Oct. 25, 1962	*Percent* [4] 2.785		$88,987,000.00
	Redeemed in exchange for series dated July 26, 1962, due Jan. 24, 1963			32,586,000.00
	Redeemable for cash			1,679,200,000.00
26	Maturing Oct. 25, 1962:			
	Issued in exchange for series dated Jan. 25, 1962	2.892	$88,987,000.00	
	Issued for cash		1,209,111,000.00	
26	Maturing Jan. 24, 1963:			
	Issued in exchange for series dated Jan. 25, 1962	3.103	32,586,000.00	
	Issued for cash		670,249,000.00	
31	Certificates of indebtedness, foreign series, maturing Aug. 8, 1962	2.75		250,000,000.00
	U.S. savings bonds: [5]			
31	Series E-1941	[6] 3.223	672,148.85	2,276,184.39
31	Series E-1942	[6] 3.252	5,538,073.71	11,559,957.34
31	Series E-1943	[6] 3.276	6,104,456.41	12,129,503.63
31	Series E-1944	[6] 3.298	11,029,569.74	14,741,698.28
31	Series E-1945	[6] 3.316	5,381,014.39	13,259,758.72
31	Series E-1946	[6] 3.327	4,271,735.76	6,731,582.82
31	Series E-1947	[6] 3.346	5,258,292.55	7,056,612.89
31	Series E-1948	[6] 3.366	5,132,610.31	8,127,327.24
31	Series E-1949	[6] 3.344	5,657,643.33	8,552,491.40
31	Series E-1950	[6] 3.347	5,845,700.13	9,025,701.16
31	Series E-1951	[6] 3.378	4,533,890.00	10,083,788.72
31	Series E-1952 (January to April)	3.400	2,674,616.19	4,562,031.34
31	Series E-1952 (May to December)	[6] 3.451	4,240,491.95	9,872,258.52
31	Series E-1953	[6] 3.468	7,233,286.89	7,245,201.13
31	Series E-1954	[6] 3.497	7,675,772.73	7,702,488.90
31	Series E-1955	[6] 3.522	7,178,269.97	8,215,321.99
31	Series E-1956	[6] 3.546	6,958,532.70	8,653,343.04
31	Series E-1957 (January)	3.560	3,073,942.07	671,549.98
31	Series E-1957 (February to December)	[6] 3.653	3,314,066.86	9,100,532.91
31	Series E-1958	[6] 3.690	7,537,274.96	12,746,149.07
31	Series E-1959 (January to May)	3.730	3,879,265.30	5,742,993.93
31	Series E-1959 (June to December)	3.750	3,059,823.19	8,835,771.39
31	Series E-1960	3.750	7,934,563.92	20,337,862.10
31	Series E-1961	3.750	7,464,159.53	45,597,936.80
31	Series E-1962	3.750	256,487,491.00	65,651,587.50
31	Unclassified sales and redemptions		42,137,354.80	70,135,977.33
31	Series F-1950	2.53	109,986.10	4,688,414.00
31	Series F-1951	2.53	284,632.96	341,900.50
31	Series F-1952	2.53	145,467.89	36,672.24
31	Unclassified redemptions			648,317.03
31	Series G-1950	2.50		20,725,000.00
31	Series G-1951	2.50		1,569,500.00
31	Series G-1952	2.50		597,200.00
31	Unclassified redemptions			8,971,300.00
31	Series H-1952	[6] 3.123		1,321,000.00
31	Series H-1953	[6] 3.161		1,163,500.00
31	Series H-1954	[6] 3.211		2,163,000.00
31	Series H-1955	[6] 3.258		2,998,000.00
31	Series H-1956	[6] 3.317		2,369,500.00
31	Series H-1957 (January)	3.360		126,000.00
31	Series H-1957 (February to December)	[6] 3.626		1,868,500.00
31	Series H-1958	[6] 3.679		2,994,500.00
31	Series H-1959 (January to May)	3.720		1,202,000.00
31	Series H-1959 (June to December)	3.750		1,308,000.00
31	Series H-1960	3.750		2,789,000.00
31	Series H-1961	3.750	13,500.00	3,205,500.00
31	Series H-1962	3.750	74,508,500.00	138,500.00
31	Unclassified sales and redemptions		4,424,000.00	2,528,500.00
31	Series J-1952	2.76	81,505.77	405,518.28
31	Series J-1953	2.76	229,608.43	448,208.30
31	Series J-1954	2.76	413,960.05	866,427.75
31	Series J-1955	2.76	426,268.33	428,548.16
31	Series J-1956	2.76	360,605.05	431,335.90
31	Series J-1957	2.76	103,979.10	88,480.00
31	Unclassified redemptions			[7] −28,063.74
31	Series K-1952	2.76		897,000.00

Footnotes at end of table.

TABLE 42.—*Issues, maturities, and redemptions of interest-bearing public debt securities, excluding special issues, July 1962–June 1963*—Continued

Date	Security	Rate of interest [1]	Amount issued [2]	Amount matured or called or redeemed prior to maturity [3]
1962	U.S. saving bonds [5]—Continued	*Percent*		
July 31	Series K-1953	2.76		$1,286,000.00
31	Series K-1954	2.76		2,980,500.00
31	Series K-1955	2.76		1,811,500.00
31	Series K-1956	2.76		1,331,000.00
31	Series K-1957	2.76		239,500.00
31	Unclassified redemptions			1,091,000.00
31	Treasury bonds of 1967-72 (dated June 1, 1945): Redeemed in exchange for 3½% Treasury bonds of 1990	2½		5,000.00
31	Treasury bonds of 1990: Adjustment of issues: [8] Issued in exchange for 2½% Treasury bonds of 1967-72 (dated June 1, 1945)	3½	$5,000.00	
31	Treasury bonds of 1964: Redeemed in exchange for 4% Treasury bonds of 1971	3.00		9,500.00
31	Treasury bonds of 1965: Redeemed in exchange for 4% Treasury bonds of 1971	2⅝		−359,500.00
31	Treasury bonds of 1971: Adjustments of issues: [8] Issued in exchange for 3% Treasury bonds of 1964	4.00	9,500.00	
	Issued in exchange for 2⅝% Treasury bonds of 1965		−359,500.00	
31	Depositary bonds, First Series	2.00	831,000.00	22,637,000.00
31	Treasury bonds, R.E.A. series	2.00	246,000.00	638,000.00
31	Treasury bonds, Investment Series B-1975-80: Redeemed in exchange for 1½% Treasury notes, Series EA-1967	2¾		13,519,000.00
31	Treasury notes, Series EA-1967	1½	13,519,000.00	
31	Miscellaneous			18,003,700.00
	Total July		10,619,820,310.92	10,001,116,320.94
	Treasury bills: Regular weekly:			
Aug. 2	Issued Feb. 1, 1962: Redeemed in exchange for series dated Aug. 2, 1962, due Nov. 1, 1962	[4] 2.811		115,753,000.00
	Redeemed in exchange for series dated Aug. 2, 1962, due Jan. 31, 1963			61,384,000.00
	Redeemable for cash			1,624,773,000.00
2	Maturing Nov. 1, 1962: Issued in exchange for series dated Feb. 1, 1962	2.874	115,753,000.00	
	Issued for cash		1,184,934,000.00	
2	Maturing Jan. 31, 1963: Issued in exchange for series dated Feb. 1, 1962	3.075	61,384,000.00	
	Issued for cash		638,845,000.00	
2	Certificates of indebtedness, foreign series, maturing Sept. 4, 1962	2.70		50,000,000.00
7	Certificates of indebtedness, foreign currency series, maturing Nov. 7, 1962	2.85	74,934,750.00	
	Treasury bills: Regular weekly:			
9	Issued Feb. 8, 1962: Redeemed in exchange for series dated Aug. 9, 1962, due Nov. 8, 1962	[4] 2.779		128,111,000.00
	Redeemed in exchange for series dated Aug. 9, 1962, due Feb. 7, 1963			62,771,000.00
	Redeemable for cash			1,613,408,000.00
9	Maturing Nov. 8, 1962: Issued in exchange for series dated Feb. 8, 1962	2.801	128,111,000.00	
	Issued for cash		1,172,790,000.00	
9	Maturing Feb. 7, 1963: Issued in exchange for series dated Feb. 8, 1962	2.990	62,771,000.00	
	Issued for cash		637,581,000.00	

Footnotes at end of table.

TABLE 42.—*Issues, maturities, and redemptions of interest-bearing public debt securities, excluding special issues, July 1962–June 1963*—Continued

Date	Security	Rate of interest [1]	Amount issued [2]	Amount matured or called or redeemed prior to maturity [3]
1962				
Aug. 15	Treasury notes, Series B-1962:			
	Redeemed in exchange for 3½% certificates of indebtedness, Series C-1963	*Percent* 4.00		$1,919,000.00
	Redeemed in exchange for 4% Treasury bonds of 1969 (dated Aug. 15, 1962)			2,132,000.00
	Redeemed in exchange for 4¼% Treasury bonds of 1987-92			100,000.00
	Redeemable for cash			154,022,000.00
15	Treasury bonds of 1987-92:			
	Issued in exchange for 4% Treasury notes, Series B-1962	4¼	$100,000.00	
	Issued in exchange for 3¼% Treasury notes, Series G-1962		5,310,000.00	
	Issued for cash		359,711,500.00	
15	Treasury notes, Series G-1962:			
	Redeemed in exchange for 3½% certificates of indebtedness, Series C-1963	3¼		3,779,825,000.00
	Redeemed in exchange for 4% Treasury bonds of 1969 (dated Aug. 15, 1962)			5,948,000.00
	Redeemed in exchange for 4¼% Treasury bonds of 1987-92			5,310,000.00
	Redeemable for cash			3,533,779,000.00
15	Treasury bonds of 1969 (dated Aug. 15, 1962):			
	Issued in exchange for 4% Treasury notes, Series B-1962	4.00	2,132,000.00	
	Issued in exchange for 3¼% Treasury notes, Series G-1962		5,948,000.00	
	Issued for cash		1,835,535,500.00	
15	Certificates of indebtedness, Series C-1963:			
	Issued in exchange for 4% Treasury notes, Series B-1962	3½	1,919,000.00	
	Issued in exchange for 3¼% Treasury notes, Series G-1962		3,779,825,000.00	
	Issued for cash		3,069,690,000.00	
	Treasury bills:			
	Regular weekly:			
16	Issued Feb. 15, 1962:			
	Redeemed in exchange for series dated Aug. 16, 1962, due Nov. 15, 1962	[4] 2.748		42,162,000.00
	Redeemed in exchange for series dated Aug. 16, 1962, due Feb. 14, 1963			22,317,000.00
	Redeemable for cash			1,736,347,000.00
16	Maturing Nov. 15, 1962:			
	Issued in exchange for series dated Feb. 15, 1962	2.867	42,162,000.00	
	Issued for cash		1,258,490,000.00	
16	Maturing Feb. 14, 1963:			
	Issued in exchange for series dated Feb. 15, 1962	3.060	22,317,000.00	
	Issued for cash		681,527,000.00	
21	Certificates of indebtedness, foreign series, maturing Sept. 14, 1962	2.00		10,000,000.00
	Treasury bills:			
	Regular weekly:			
23	Issued Feb. 23, 1962:			
	Redeemed in exchange for series dated Aug. 23, 1962, due Nov. 23, 1962	[4] 2.805		97,866,000.00
	Redeemed in exchange for series dated Aug. 23, 1962, due Feb. 21, 1963			53,606,000.00
	Redeemable for cash			1,749,877,000.00
23	Maturing Nov. 23, 1962:			
	Issued in exchange for series dated Feb. 23, 1962	2.837	97,866,000.00	
	Issued for cash		1,202,940,000.00	
23	Maturing Feb. 21, 1963:			
	Issued in exchange for series dated Feb. 23, 1962	2.984	53,606,000.00	
	Issued for cash		646,137,000.00	
29	Certificates of indebtedness, foreign series, maturing Oct. 25, 1962	2.00		10,000,000.00

Footnotes at end of table.

TABLE 42.—*Issues, maturities, and redemptions of interest-bearing public debt securities, excluding special issues, July 1962–June 1963*—Continued

Date	Security	Rate of interest [1]	Amount issued [2]	Amount matured or called or redeemed prior to maturity [3]
	Treasury bills:			
1962	Regular weekly:			
Aug. 30	Issued Mar. 1, 1962:			
	Redeemed in exchange for series dated Aug. 30, 1962, due Nov. 29, 1962	*Percent* [4] 2.716		$82,376,000.00
	Redeemed in exchange for series dated Aug. 30, 1962, due Feb. 28, 1963			42,258,000.00
	Redeemable for cash			1,776,752,000.00
30	Maturing Nov. 29, 1962:			
	Issued in exchange for series dated Mar. 1, 1962	2.805	$82,376,000.00	
	Issued for cash		1,218,463,000.00	
30	Maturing Feb. 28, 1963:			
	Issued in exchange for series dated Mar. 1, 1962	2.916	42,258,000.00	
	Issued for cash		657,892,000.00	
30	Certificates of indebtedness, foreign series, maturing Aug. 30, 1962	2.00		50,000,000.00
	U.S. savings bonds: [5]			
31	Series E-1941	[6] 3.223	454,514.56	1,902,418.26
31	Series E-1942	[6] 3.252	3,414,576.39	8,974,050.02
31	Series E-1943	[6] 3.276	4,698,518.09	9,968,220.23
31	Series E-1944	[6] 3.298	8,263,172.96	12,135,081.66
31	Series E-1945	[6] 3.316	3,832,486.95	10,435,298.77
31	Series E-1946	[6] 3.327	3,271,033.89	5,350,866.59
31	Series E-1947	[6] 3.346	3,696,008.35	5,571,964.69
31	Series E-1948	[6] 3.366	3,783,048.69	6,468,199.76
31	Series E-1949	[6] 3.344	4,301,908.15	7,138,233.20
31	Series E-1950	[6] 3.347	4,302,081.67	6,934,555.10
31	Series E-1951	[6] 3.378	3,576,513.43	7,818,672.47
31	Series E-1952 (January to April)	3.400	1,970,290.03	3,297,801.71
31	Series E-1952 (May to December)	[6] 3.451	5,444,110.32	7,377,276.81
31	Series E-1953	[6] 3.468	5,644,250.82	5,790,603.43
31	Series E-1954	[6] 3.497	6,198,078.14	6,276,428.69
31	Series E-1955	[6] 3.522	5,682,652.67	6,420,601.87
31	Series E-1956	[6] 3.546	5,634,196.74	6,980,414.87
31	Series E-1957 (January)	3.560	−16.90	554,873.57
31	Series E-1957 (February to December)	[6] 3.653	5,627,608.76	7,541,069.71
31	Series E-1958	[6] 3.690	6,036,750.67	11,175,799.21
31	Series E-1959 (January to May)	3.730	3,050,998.88	5,184,173.05
31	Series E-1959 (June to December)	3.750	2,551,233.46	7,517,178.30
31	Series E-1960	3.750	6,677,927.89	17,208,984.16
31	Series E-1961	3.750	6,116,189.18	36,544,813.28
31	Series E-1962	3.750	223,176,165.70	61,446,581.06
31	Unclassified sales and redemptions		89,933,518.21	109,101,122.06
31	Series F-1950	2.53	87,600.50	3,125,162.00
31	Series F-1951	2.53	199,839.45	154,615.62
31	Series F-1952	2.53	101,739.56	106,628.34
31	Unclassified redemptions			1,944,390.03
31	Series G-1950	2.50		12,838,900.00
31	Series G-1951	2.50		1,637,400.00
31	Series G-1952	2.50		658,000.00
31	Unclassified redemptions			9,050,100.00
31	Series H-1952	[6] 3.123		1,055,000.00
31	Series H-1953	[6] 3.161		1,191,000.00
31	Series H-1954	[6] 3.211		2,278,500.00
31	Series H-1955	[6] 3.258		3,242,500.00
31	Series H-1956	[6] 3.317		2,618,500.00
31	Series H-1957 (January)	3.360		225,500.00
31	Series H-1957 (February to December)	[6] 3.626		1,692,500.00
31	Series H-1958	[6] 3.679		2,862,000.00
31	Series H-1959 (January to May)	3.720		1,143,500.00
31	Series H-1959 (June to December)	3.750		1,271,000.00
31	Series H-1960	3.750		2,839,000.00
31	Series H-1961	3.750		3,413,000.00
31	Series H-1962	3.750	76,300,000.00	330,000.00
31	Unclassified sales and redemptions		[7] −12,752,500.00	866,500.00
31	Series J-1952	2.76	64,720.74	332,404.22
31	Series J-1953	2.76	178,498.93	294,063.42
31	Series J-1954	2.76	367,312.75	949,573.55
31	Series J-1955	2.76	286,805.82	584,760.88
31	Series J-1956	2.76	319,646.13	349,028.38
31	Series J-1957	2.76	88,944.60	72,841.20
31	Unclassified redemptions			[7] −64,556.89

Footnotes at end of table.

TABLE 42.—*Issues, maturities, and redemptions of interest-bearing public debt securities, excluding special issues, July 1962–June 1963*—Continued

Date	Security	Rate of interest [1]	Amount issued [2]	Amount matured or called or redeemed prior to maturity [3]
1962	U.S. savings bonds [5]—Continued	*Percent*		
Aug. 31	Series K-1952	2.76		$670,000.00
31	Series K-1953	2.76		1,129,500.00
31	Series K-1954	2.76		2,747,000.00
31	Series K-1955	2.76		3,123,500.00
31	Series K-1956	2.76		1,440,000.00
31	Series K-1957	2.76		261,000.00
31	Unclassified redemptions			[7] −2,491,000.00
31	Treasury bonds of 1967-72 (dated Nov. 15, 1945):			
	Redeemed in exchange for 3½% Treasury bonds of 1998	2½		−60,000.00
31	Treasury bonds of 1998 (additional issue):			
	Adjustment of exchange issues: [8]			
	Issued in exchange for 2½% Treasury bonds of 1967-72 (dated June 15, 1945)	3½	−$60,000.00	
31	Treasury bonds of 1959-62 (dated June 15, 1945):			
	Redeemed in exchange for 3¼% certificates of indebtedness, Series B-1963	2¼		230,000.00
	Redeemed in exchange for 3⅝ Treasury notes, Series B-1966			697,000.00
	Redeemed in exchange for 3⅞% Treasury bonds of 1971			38,000.00
31	Certificates of indebtedness, Series B-1963:			
	Adjustments of issues: [8]			
	Issued in exchange for 2¼% Treasury bonds of 1959-62 (dated June 15, 1945)	3¼	230,000.00	
31	Treasury notes, Series B-1966:			
	Adjustments of issues: [8]			
	Issued in exchange for 2¼% Treasury bonds of 1959-62 (dated June 15, 1945)	3⅝	697,000.00	
31	Treasury bonds of 1971:			
	Adjustments of issues: [8]			
	Issued in exchange for 2¼% Treasury bonds of 1959-62 (dated June 15, 1945)	3⅞	38,000.00	
31	Treasury bonds, Investment Series B-1975-80:			
	Redeemed in exchange for Treasury notes, Series EA-1967	2¾		67,285,000.00
31	Treasury notes, Series EA-1967	1½	67,285,000.00	
31	Treasury notes, R.E.A. series	2.00	296,000.00	105,000.00
31	Depositary bonds, First Series	2.00	1,670,000.00	1,795,000.00
31	Miscellaneous			19,444,900.00
	Total August		19,696,045,176.18	17,341,387,993.28
	Treasury bills:			
	Regular weekly:			
Sept. 6	Issued Mar. 8, 1962:			
	Redeemed in exchange for series dated Sept. 6, 1962, due Dec. 6, 1962	[4] 2.752		78,106,000.00
	Redeemed in exchange for series dated Sept. 6, 1962, due Mar. 7, 1963			43,071,000.00
	Redeemable for cash			1,780,677,000.00
6	Maturing Dec. 6, 1962:			
	Issued in exchange for series dated Mar. 8, 1962	2.834	78,106,000.00	
	Issued for cash		1,223,286,000.00	
6	Maturing Mar. 7, 1963:			
	Issued in exchange for series dated Mar. 8, 1962	2.977	43,071,000.00	
	Issued for cash		657,232,000.00	
7	Certificates of indebtedness, foreign currency series, maturing Sept. 7, 1962	2.70		49,964,250.00
7	Certificates of indebtedness, foreign currency series, maturing Dec. 7, 1962	2.85	49,956,500.00	

Footnotes at end of table.

TABLE 42.—*Issues, maturities, and redemptions of interest-bearing public debt securities, excluding special issues, July 1962–June 1963*—Continued

Date	Security	Rate of interest [1]	Amount issued [2]	Amount matured or called or redeemed prior to maturity [3]
	Treasury bills:			
1962	Regular weekly:			
Sept. 13	Issued Mar. 15, 1962:			
	Redeemed in exchange for series dated Sept. 13, 1962, due Dec. 13, 1962	*Percent* [4] 2.766		$15,193,000.00
	Redeemed in exchange for series dated Sept. 13, 1962, due Mar. 14, 1963			3,623,000.00
	Redeemable for cash			1,881,880,000.00
13	Maturing Dec. 13, 1962:			
	Issued in exchange for series dated Mar. 15, 1962	2.789	$15,193,000.00	
	Issued for cash		1,285,714,000.00	
13	Maturing Mar. 14, 1963:			
	Issued in exchange for series dated Mar. 15, 1962	2.911	3,623,000.00	
	Issued for cash		696,964,000.00	
15	Certificates of indebtedness, Series A-1963:			
	Redeemed in exchange for 3¾% Treasury notes, Series A-1967	3½		772,570,000.00
	Redeemed in exchange for 4% Treasury bonds of 1972			370,340,000.00
15	Certificates of indebtedness, Series B-1963:			
	Redeemed in exchange for 3¾% Treasury notes, Series A-1967	3¼		952,338,000.00
	Redeemed in exchange for 4% Treasury bonds of 1972			454,294,000.00
15	Treasury notes, Series A-1963:			
	Redeemed in exchange for 3¾% Treasury notes, Series A-1967	2⅝		1,093,572,000.00
	Redeemed in exchange for 4% Treasury bonds of 1972			258,626,000.00
15	Treasury notes, Series B-1963:			
	Redeemed in exchange for 3¾% Treasury notes, Series A-1967	4.00		181,591,000.00
	Redeemed in exchange for 4% Treasury bonds of 1972			378,787,000.00
15	Treasury notes, Series D-1963:			
	Redeemed in exchange for 3¾% Treasury notes, Series A-1967	3¼		1,298,887,000.00
	Redeemed in exchange for 4% Treasury bonds of 1972			713,121,000.00
15	Treasury notes, Series E-1963:			
	Redeemed in exchange for 3¾% Treasury notes, Series A-1967	3¼		982,178,000.00
	Redeemed in exchange for 4% Treasury bonds of 1972			403,763,000.00
15	Treasury notes, Series A-1967:			
	Issued in exchange for 3½% certificates of indebtedness, Series A-1963	3¾	772,570,000.00	
	Issued in exchange for 3¼% certificates of indebtedness, Series B-1963		952,338,000.00	
	Issued in exchange for 2⅝% Treasury notes, Series A-1963		1,093,572,000.00	
	Issued in exchange for 4% Treasury notes, Series B-1963		181,591,000.00	
	Issued in exchange for 3¼% Treasury notes, Series D-1963		1,298,887,000.00	
	Issued in exchange for 3¼% Treasury notes, Series E-1963		982,178,000.00	
15	Treasury bonds of 1972:			
	Issued in exchange for 3½% certificates of indebtedness, Series A-1963	4.00	370,340,000.00	
	Issued in exchange for 3¼% certificates of indebtedness, Series B-1963		454,294,000.00	
	Issued in exchange for 2⅝% Treasury notes, Series A-1963		258,626,000.00	
	Issued in exchange for 4% Treasury notes, Series B-1963		378,787,000.00	
	Issued in exchange for 3¼% Treasury notes, Series D-1963		713,121,000.00	
	Issued in exchange for 3¼% Treasury notes, Series E-1963		403,763,000.00	

Footnotes at end of table.

TABLE 42.—*Issues, maturities, and redemptions of interest-bearing public debt securities, excluding special issues, July 1962–June 1963*—Continued

Date	Security	Rate of interest [1]	Amount issued [2]	Amount matured or called or redeemed prior to maturity [3]
	Treasury bills:			
1962	Regular weekly:			
Sept. 20	Issued Mar. 22, 1962:			
	Redeemed in exchange for series dated Sept. 20, 1962, due Dec. 20, 1962	*Percent* [4] 2.763		$204,032,000.00
	Redeemed in exchange for series dated Sept. 20, 1962, due Mar. 21, 1963			53,509,000.00
	Redeemable for cash			1,643,283,000.00
20	Maturing Dec. 20, 1962:			
	Issued in exchange for series dated Mar. 22, 1962	2.796	$204,032,000.00	
	Issued for cash		1,097,170,000.00	
20	Maturing Mar. 21, 1963:			
	Issued in exchange for series dated Mar. 22, 1962	2.962	53,509,000.00	
	Issued for cash		646,936,000.00	
	Treasury bills:			
	Tax anticipation:			
21	Issued Mar. 23, 1962:			
	Redeemable for cash	2.896		1,801,986,000.00
24	Certificates of indebtedness, foreign series, maturing Sept. 26, 1962	2.00		250,000,000.00
24	Certificates of indebtedness, foreign series, maturing Sept. 26, 1962	2.79		20,000,000.00
24	Certificates of indebtedness, foreign series, maturing Sept. 26, 1962	2.80		100,000,000.00
24	Certificates of indebtedness, foreign series, maturing Oct. 17, 1962	2.00		15,000,000.00
24	Certificates of indebtedness, foreign series, maturing Oct. 26, 1962	2.00		15,000,000.00
26	Certificates of indebtedness, foreign series, maturing Dec. 26, 1962	2.00	250,000,000.00	
26	Certificates of indebtedness, foreign series, maturing Dec. 26, 1962	2.75	100,000,000.00	
27	Certificates of indebtedness, foreign series, maturing Dec. 27, 1962	2.75	100,000,000.00	
27	Certificates of indebtedness, foreign series, maturing Sept. 27, 1962	2.80		100,000,000.00
	Treasury bills:			
	Regular weekly:			
27	Issued Mar. 29, 1962:			
	Redeemed in exchange for series dated Sept. 27, 1962, due Dec. 27, 1962	[4] 2.813		65,748,000.00
	Redeemed in exchange for series dated Sept. 27, 1962, due Mar. 28, 1963			43,333,000.00
	Redeemable for cash			1,791,631,000.00
27	Maturing Dec. 27, 1962:			
	Issued in exchange for series dated Mar. 29, 1962	2.749	65,748,000.00	
	Issued for cash		1,234,674,000.00	
27	Maturing Mar. 28, 1963:			
	Issued in exchange for series dated Mar. 29, 1962	2.938	43,333,000.00	
	Issued for cash		656,782,000.00	
	U.S. savings bonds: [5]			
30	Series E-1941	[6] 3.223	470,995.20	2,889,666.50
30	Series E-1942	[6] 3.252	3,761,063.68	17,933,959.44
30	Series E-1943	[6] 3.276	11,359,717.40	16,643,533.02
30	Series E-1944	[6] 3.298	3,919,440.05	20,990,235.33
30	Series E-1945	[6] 3.316	3,590,768.39	17,168,320.67
30	Series E-1946	[6] 3.327	3,124,782.00	9,390,070.35
30	Series E-1947	[6] 3.346	3,708,545.85	9,974,404.27
30	Series E-1948	[6] 3.366	3,538,491.89	10,821,211.72
30	Series E-1949	[6] 3.344	4,143,849.19	12,360,042.69
30	Series E-1950	[6] 3.347	4,208,997.81	12,531,106.19
30	Series E-1951	[6] 3.378	3,559,007.09	12,894,668.97
30	Series E-1952 (January to April)	3.400	1,909,423.20	5,964,335.29
30	Series E-1952 (May to December)	[6] 3.451	2,380,467.45	16,876,453.49
30	Series E-1953	[6] 3.468	13,662,229.45	9,172,349.42
30	Series E-1954	[6] 3.497	6,123,124.61	9,877,478.93
30	Series E-1955	[6] 3.522	5,767,509.96	10,713,040.91
30	Series E-1956	[6] 3.546	5,386,319.22	11,574,669.14
30	Series E-1957 (January)	3.560		1,030,654.61
30	Series E-1957 (February to December)	[6] 3.653	5,481,379.84	10,991,299.91

Footnotes at end of table.

TABLE 42.—*Issues, maturities, and redemptions of interest-bearing public debt securities, excluding special issues, July 1962–June 1963*—Continued

Date	Security	Rate of interest [1]	Amount issued [2]	Amount matured or called or redeemed prior to maturity [3]
1962	U.S. saving bonds [5]—Continued	*Percent*		
Sept. 30	Series E-1958	[6] 3.690	$6,056,086.30	$11,992,350.59
30	Series E-1959 (January to May)	3.730	2,928,709.77	5,506,482.26
30	Series E-1959 (June to December)	3.750	2,751,030.22	8,167,280.88
30	Series E-1960	3.750	6,718,484.01	18,714,086.22
30	Series E-1961	3.750	6,420,646.84	37,957,061.55
30	Series E-1962	3.750	288,954,390.86	78,405,509.97
30	Unclassified sales and redemptions		[7] −25,322,738.56	[7] −34,981,307.47
30	Series F-1950	2.53	94,671.50	4,274,582.50
30	Series F-1951	2.53	168,714.47	12,052.42
30	Series F-1952	2.53	82,499.20	10,287.70
30	Unclassified redemptions			1,094,605.61
30	Series G-1950	2.50		22,544,900.00
30	Series G-1951	2.50		181,100.00
30	Series G-1952	2.50		67,600.00
30	Unclassified redemptions			[7] −1,819,900.00
30	Series H-1952	[6] 3.123		1,118,000.00
30	Series H-1953	[6] 3.161		73,500.00
30	Series H-1954	[6] 3.211		154,000.00
30	Series H-1955	[6] 3.258		131,000.00
30	Series H-1956	[6] 3.317		131,500.00
30	Series H-1957 (January)	3.360		8,000.00
30	Series H-1957 (February to December)	[6] 3.626		114,000.00
30	Series H-1958	[6] 3.679		140,500.00
30	Series H-1959 (January to May)	3.720		48,000.00
30	Series H-1959 (June to December)	3.750		78,000.00
30	Series H-1960	3.750		158,500.00
30	Series H-1961	3.750		252,500.00
30	Series H-1962	3.750	54,761,000.00	54,500.00
30	Unclassified sales and redemptions		[7] −3,488,000.00	24,232,500.00
30	Series J-1952	2.76	80,539.12	39,027.80
30	Series J-1953	2.76	196,598.40	27,273.10
30	Series J-1954	2.76	341,962.60	117,687.05
30	Series J-1955	2.76	371,804.75	74,451.05
30	Series J-1956	2.76	259,311.13	34,253.50
30	Series J-1957	2.76	77,571.00	1,972.60
30	Unclassified redemptions			2,336,809.37
30	Series K-1952	2.76		77,000.00
30	Series K-1953	2.76		44,000.00
30	Series K-1954	2.76		107,500.00
30	Series K-1955	2.76		157,000.00
30	Series K-1956	2.76		228,000.00
30	Series K-1957	2.76		11,000.00
30	Unclassified redemptions			5,259,500.00
30	Depositary bonds, First Series	2.00	912,000.00	21,067,000.00
30	Treasury bonds, R.E.A. series	2.00	167,000.00	250,000.00
30	Treasury bonds, Investment Series B-1975-80:			
	Redeemed in exchange for 1½% Treasury notes, Series EA-1967	2¾		71,160,000.00
30	Treasury notes, Series EA-1967	1½	71,160,000.00	
30	Miscellaneous			14,466,400.00
	Total September		16,865,184,893.89	18,330,180,817.55
Oct. 1	Treasury notes, Series EO-1962:			
	Redeemable for cash	1½		590,195,000.00
1	Certificates of indebtedness, foreign series, maturing Jan. 2, 1963	2.75	10,000,000.00	
	Treasury bills:			
	Tax anticipation:			
3	Maturing Mar. 22, 1963:			
	Issued for cash	2.616	3,005,221,000.00	
	Regular weekly:			
4	Issued Apr. 5, 1962:			
	Redeemed in exchange for series dated Oct. 4, 1962, due Jan. 3, 1963	[4] 2.913		156,934,000.00
	Redeemed in exchange for series dated Oct. 4, 1962, due Apr. 4, 1963			53,437,000.00
	Redeemable for cash			1,690,726,000.00
4	Maturing Jan. 3, 1963:			
	Issued in exchange for series dated Apr. 5, 1962	2.752	156,934,000.00	
	Issued for cash		1,143,521,000.00	

Footnotes at end of table.

TABLE 42.—*Issues, maturities, and redemptions of interest-bearing public debt securities, excluding special issues, July 1962–June 1963*—Continued

Date	Security	Rate of interest [1]	Amount issued [2]	Amount matured or called or redeemed prior to maturity [3]
	Treasury bills—Continued			
1962	Regular weekly—Continued			
Oct. 4	Maturing Apr. 4, 1963:			
	Issued in exchange for series dated Apr. 5, 1962	*Percent* 2.902	$53,437,000.00	
	Issued for cash		647,626,000.00	
11	Issued Apr. 12, 1962:			
	Redeemed in exchange for series dated Oct. 11, 1962, due Jan. 10, 1963	[4] 2.924		$94,241,000.00
	Redeemed in exchange for series dated Oct. 11, 1962, due Apr. 11, 1963			14,307,000.00
	Redeemable for cash			1,793,017,000.00
11	Maturing Jan 10, 1963:			
	Issued in exchange for series dated Apr. 12, 1962	2.760	94,241,000.00	
	Issued for cash		1,207,119,000.00	
11	Maturing Apr. 11, 1963:			
	Issued in exchange for series dated Apr. 12, 1962	2.864	14,307,000.00	
	Issued for cash		686,303,000.00	
	Other:			
15	Issued Oct. 16, 1961:			
	Redeemed in exchange for series dated Oct. 15, 1962, due Oct. 15, 1963	2.975		190,034,000.00
	Redeemable for cash			1,813,429,000.00
15	Maturing Oct. 15, 1963:			
	Issued in exchange for series dated Oct. 16, 1961	2.969	190,034,000.00	
	Issued for cash		2,310,069,000.00	
	Regular weekly:			
18	Issued Apr. 19, 1962:			
	Redeemed in exchange for series dated Oct. 18, 1962, due Jan. 17, 1963	[4] 2.933		18,889,000.00
	Redeemed in exchange for series dated Oct. 18, 1962, due Apr. 18, 1963			4,616,000.00
	Redeemable for cash			1,879,269,000.00
18	Maturing Jan. 17, 1963:			
	Issued in exchange for series dated Apr. 19, 1962	2.749	18,889,000.00	
	Issued for cash		1,281,442,000.00	
18	Maturing Apr. 18, 1963:			
	Issued in exchange for series dated Apr. 19, 1962	2.843	4,616,000.00	
	Issued for cash		695,422,000.00	
18	Treasury bonds, foreign currency series, maturing Jan. 20, 1964	2.75	23,142,500.00	
22	Certificates of indebtedness, foreign currency series, maturing Apr. 1, 1963	2.00	22,448,225.00	
22	Certificates of indebtedness, foreign currency series, maturing July 1, 1963	2.00	25,456,750.00	
	Treasury bills:			
	Regular weekly:			
25	Issued Apr. 26, 1962:			
	Redeemed in exchange for series dated Oct. 25, 1962, due Jan. 24, 1963	[4] 2.878		121,866,000.00
	Redeemed in exchange for series dated Oct. 25, 1962, due Apr. 25, 1963			3,460,000.00
	Redeemable for cash			1,773,180,000.00
25	Maturing Jan. 24, 1963:			
	Issued in exchange for series dated Apr. 26, 1962	2.742	121,866,000.00	
	Issued for cash		1,178,668,000.00	
25	Maturing Apr. 25, 1963:			
	Issued in exchange for series dated Apr. 26, 1962	2.828	3,460,000.00	
	Issued for cash		696,819,000.00	
25	Certificates of indebtedness, foreign series, maturing Jan. 24, 1963	2.75	50,000,000.00	
26	Certificates of indebtedness, foreign currency series, maturing Oct. 26, 1962	2.90		24,978,250.00
26	Treasury bonds, foreign currency series, maturing Jan. 27, 1964	3.00	24,974,375.00	
31	Certificates of indebtedness, foreign series, maturing Dec. 26, 1962	2.00		125,000,000.00

Footnotes at end of table.

TABLE 42.—*Issues, maturities, and redemptions of interest-bearing public debt securities, excluding special issues, July 1962–June 1963*—Continued

Date	Security	Rate of interest [1]	Amount issued [2]	Amount matured or called or redeemed prior to maturity [3]
1962	U.S. savings bonds: [5]	*Percent*		
Oct. 31	Series E-1941	[6] 3.223	$528,261.56	$2,696,862.26
31	Series E-1942	[6] 3.252	3,835,881.45	15,625,572.08
31	Series E-1943	[6] 3.276	8,833,982.00	16,695,601.16
31	Series E-1944	[6] 3.298	3,473,701.00	20,232,097.76
31	Series E-1945	[6] 3.316	4,329,004.23	16,990,230.60
31	Series E-1946	[6] 3.327	3,185,865.95	8,957,078.21
31	Series E-1947	[6] 3.346	3,469,631.26	9,675,899.11
31	Series E-1948	[6] 3.366	3,370,747.10	10,754,317.23
31	Series E-1949	[6] 3.344	3,800,966.71	11,415,265.28
31	Series E-1950	[6] 3.347	3,833,817.46	11,773,682.52
31	Series E-1951	[6] 3.378	3,559,378.85	12,638,266.56
31	Series E-1952 (January to April)	3.400	1,679,992.33	5,368,914.84
31	Series E-1952 (May to December)	[6] 3.451	2,093,354.10	14,891,125.73
31	Series E-1953	[6] 3.468	11,670,543.61	10,579,593.97
31	Series E-1954	[6] 3.497	5,758,433.08	10,442,241.27
31	Series E-1955	[6] 3.522	5,520,925.70	11,272,746.83
31	Series E-1956	[6] 3.546	5,288,705.88	12,589,177.68
31	Series E-1957 (January)	3.560	−19,519.51	1,053,702.47
31	Series E-1957 (February to December)	[6] 3.653	5,621,402.86	11,366,974.90
31	Series E-1958	[6] 3.690	6,049,806.57	11,315,575.91
31	Series E-1959 (January to May)	3.730	2,805,291.13	5,101,065.67
31	Series E-1959 (June to December)	3.750	3,232,642.37	7,659,949.18
31	Series E-1960	3.750	6,736,487.03	17,250,165.53
31	Series E-1961	3.750	6,253,963.84	33,481,728.26
31	Series E-1962	3.750	250,820,214.95	78,521,330.33
31	Unclassified sales and redemptions		62,623,705.65	[7] −12,816,032.19
31	Series F-1950	2.53	786,297.00	4,152,641.00
31	Series F-1951	2.53	206,010.73	230,204.26
31	Series F-1952	2.53	66,438.32	54,288.98
31	Unclassified redemptions			36,024,257.16
31	Series G-1950	2.50		20,550,900.00
31	Series G-1951	2.50		1,534,900.00
31	Series G-1952	2.50		498,200.00
31	Unclassified redemptions			67,701,100.00
31	Series H-1952	[6] 3.123		2,725,500.00
31	Series H-1953	[6] 3.161		1,085,500.00
31	Series H-1954	[6] 3.211		2,364,000.00
31	Series H-1955	[6] 3.258		2,741,500.00
31	Series H-1956	[6] 3.317		2,374,000.00
31	Series H-1957 (January)	3.360		181,500.00
31	Series H-1957 (February to December)	[6] 3.626		1,717,500.00
31	Series H-1958	[6] 3.679		2,777,000.00
31	Series H-1959 (January to May)	3.720		1,082,500.00
31	Series H-1959 (June to December)	3.750		1,358,500.00
31	Series H-1960	3.750		2,585,500.00
31	Series H-1961	3.750		3,383,000.00
31	Series H-1962	3.750	57,793,000.00	601,000.00
31	Unclassified sales and redemptions		3,817,500.00	[7] −808,000.00
31	Series J-1952	2.76	93,890.16	162,751.72
31	Series J-1953	2.76	181,884.29	246,069.13
31	Series J-1954	2.76	337,972.60	527,186.35
31	Series J-1955	2.76	362,210.15	937,097.80
31	Series J-1956	2.76	189,503.86	285,742.16
31	Series J-1957	2.76	83,547.00	229,881.90
31	Unclassified redemptions			827,979.37
31	Series K-1952	2.76		963,000.00
31	Series K-1953	2.76		1,024,500.00
31	Series K-1954	2.76		2,150,000.00
31	Series K-1955	2.76		1,429,500.00
31	Series K-1956	2.76		1,101,000.00
31	Series K-1957	2.76		160,500.00
31	Unclassified redemptions			[7] −426,500.00
31	Certificates of indebtedness, Series B-1963: Adjustments of exchange redemptions [8]	3¼		−5,091,000.00
31	Treasury notes, Series B-1963: Adjustments of exchange redemptions [8]	4.00		5,091,000.00
31	Treasury notes, Series A-1963: Adjustments of exchange redemptions [8]	2⅝		465,000.00
31	Treasury notes, Series G-1963: Adjustments of exchange redemptions [8]	3¼		1,000.00
31	Treasury notes, Series A-1967: Adjustments of exchange issues [8]	3¾	117,000.00	
31	Treasury bonds of 1972: Adjustments of exchange issues [8]	4.00	349,000.00	

Footnotes at end of table.

TABLE 42.—*Issues, maturities, and redemptions of interest-bearing public debt securities, excluding special issues, July 1962–June 1963*—Continued

Date	Security	Rate of interest [1]	Amount issued [2]	Amount matured or called or redeemed prior to maturity [3]
1962		*Percent*		
Oct. 31	Depositary bonds, First Series	2.00	$262,000.00	$970,000.00
31	Treasury bonds, R.E.A. series	2.00	164,000.00	427,000.00
31	Treasury bonds, Investment Series B-1975-80:			
	Redeemed in exchange for 1½% Treasury notes, Series EA-1967	2¾		70,291,000.00
	Redeemed in exchange for 1½% Treasury notes, Series EO-1967			4,809,000.00
31	Treasury notes, Series EA-1967	1½	70,291,000.00	
31	Treasury notes, Series EO-1967	1½	4,809,000.00	
31	Miscellaneous			36,624,700.00
	Total October		14,224,283,291.27	10,981,233,282.98
	Treasury bills:			
	Regular weekly:			
Nov. 1	Issued May 3, 1962:			
	Redeemed in exchange for series dated Nov. 1, 1962, due Jan. 31, 1963	[4] 2.865		95,003,000.00
	Redeemed in exchange for series dated Nov. 1, 1962, due May 2, 1963			42,968,000.00
	Redeemable for cash			1,762,764,000.00
1	Maturing Jan. 1, 1963:			
	Issued in exchange for series dated May 3, 1963	2.686	95,003,000.00	
	Issued for cash		1,206,115,000.00	
1	Maturing May 2, 1963:			
	Issued in exchange for series dated May 3, 1962	2.775	42,968,000.00	
	Issued for cash		657,819,000.00	
7	Certificates of indebtedness, foreign currency series, maturing Nov. 7, 1963	2.85		74,934,750.00
7	Treasury bonds, foreign currency series, maturing Feb. 7, 1964	3.00	74,923,125.00	
8	Treasury bonds, foreign currency series, maturing Mar. 9, 1964	2.75	27,807,000.00	
	Treasury bills:			
	Regular weekly:			
8	Issued May 10, 1962:			
	Redeemed in exchange for series dated Nov. 8, 1962, due Feb. 7, 1963	[4] 2.806		138,216,000.00
	Redeemed in exchange for series dated Nov. 8, 1962, due May 9, 1963			42,703,000.00
	Redeemable for cash			1,721,621,000.00
8	Maturing Feb. 7, 1963:			
	Issued in exchange for series dated May 10, 1962	2.841	138,216,000.00	
	Issued for cash		1,162,726,000.00	
8	Maturing May 9, 1963:			
	Issued in exchange for series dated May 10, 1962	2.927	42,703,000.00	
	Issued for cash		659,595,000.00	
15	Issued May 17, 1962:			
	Redeemed in exchange for series dated Nov. 15, 1962, due Feb. 14, 1963	[4] 2.828		73,800,000.00
	Redeemed in exchange for series dated Nov. 15, 1962, due May 16, 1963			22,752,000.00
	Redeemable for cash			1,804,240,000.00
15	Maturing Feb. 14, 1963:			
	Issued in exchange for series dated May 17, 1962	2.801	73,800,000.00	
	Issued for cash		1,228,507,000.00	
15	Maturing May 16, 1963:			
	Issued in exchange for series dated May 17, 1962	2.846	22,752,000.00	
	Issued for cash		678,574,000.00	
15	Maturing Jan. 17, 1963–Mar. 21, 1963: [9]			
	Issued for cash	2.866	1,001,310,000.00	

Footnotes at end of table.

TABLE 42.—*Issues, maturities, and redemptions of interest-bearing public debt securities, excluding special issues, July 1962–June 1963*—Continued

Date	Security	Rate of interest [1]	Amount issued [2]	Amount matured or called or redeemed prior to maturity [3]
1962				
Nov. 15	Treasury bonds of 1959–62 (dated Nov. 15, 1945):			
	Redeemed in exchange for 3⅛% certificates of indebtedness, Series D–1963	*Percent* 2¼		$569,609,000.00
	Redeemed in exchange for 3½% Treasury notes, Series B–1965			807,605,000.00
	Redeemed in exchange for 4% Treasury bonds of 1972 (dated Nov. 15, 1962)			673,958,000.00
15	Treasury notes, Series C–1962:			
	Redeemed in exchange for 3⅛% certificates of indebtedness, Series D–1963	3¾		121,320,000.00
	Redeemed in exchange for 3½% Treasury notes, Series B–1965			483,882,000.00
	Redeemed in exchange for 4% Treasury bonds of 1972 (dated Nov. 15, 1962)			446,308,000.00
	Redeemable for cash			91,446,000.00
15	Treasury notes, Series H–1962:			
	Redeemed in exchange for 3⅛% certificates of indebtedness, Series D–1963	3¼		4,043,796,000.00
	Redeemed in exchange for 3½% Treasury notes, Series B–1965			1,282,678,000.00
	Redeemed in exchange for 4% Treasury bonds of 1972 (dated Nov. 15, 1962)			644,813,000.00
	Redeemable for cash			110,508,000.00
15	Certificates of indebtedness, Series D–1963:			
	Issued in exchange for 3¾% Treasury notes, Series C–1962	3⅛	$121,320,000.00	
	Issued in exchange for 3¼% Treasury notes, Series H–1962		4,043,796,000.00	
	Issued in exchange for 2¼% Treasury bonds of 1959–62 (dated Nov. 15, 1945)		569,609,000.00	
	Issued in exchange for 2¾% Treasury bonds of 1960–65 (redemptions of which were held in a suspense account until call date of Dec. 15, 1962)		120,947,000.00	
15	Treasury Notes, Series B–1965:			
	Issued in exchange for 3¾% Treasury notes, Series C–1962	3½	483,882,000.00	
	Issued in exchange for 3¼% Treasury notes, Series H–1962		1,282,678,000.00	
	Issued in exchange for 2¼% Treasury bonds of 1959–62 (dated Nov. 15, 1945)		807,605,000.00	
	Issued in exchange for 2¾% Treasury bonds of 1960–65 (redemptions of which were held in a suspense account until call date of Dec. 15, 1962)		712,610,000.00	
15	Treasury bonds of 1972 (dated Nov. 15, 1962):			
	Issued in exchange for 3¾% Treasury notes, Series C–1962	4.00	446,308,000.00	
	Issued in exchange for 3¼% Treasury notes, Series H–1962		644,813,000.00	
	Issued in exchange for 2¼% Treasury bonds of 1959–62 (dated Nov. 15, 1945)		673,958,000.00	
	Issued in exchange for 2¾% Treasury bonds of 1960–65 (redemptions of which were held in a suspense account until call date of Dec. 15, 1962)		578,661,500.00	
	Treasury bills:			
	Regular weekly:			
23	Issued May 24, 1962:			
	Redeemed in exchange for series dated Nov. 23, 1962, due Feb. 21, 1963	[4] 2.824		117,145,000.00
	Redeemed in exchange for series dated Nov. 23, 1962, due May 23, 1963			53,450,000.00
	Redeemable for cash			1,730,527,000.00
23	Maturing Feb. 21, 1963:			
	Issued in exchange for series dated May 24, 1962	2.833	117,145,000.00	
	Issued for cash		1,182,951,000.00	
23	Maturing May 23, 1963:			
	Issued in exchange for series dated May 24, 1962	2.892	53,450,000.00	
	Issued for cash		746,544,000.00	

Footnotes at end of table.

TABLE 42.—*Issues, maturities, and redemptions of interest-bearing public debt securities, excluding special issues, July 1962–June 1963*—Continued

Date	Security	Rate of interest [1]	Amount issued [2]	Amount matured or called or redeemed prior to maturity [3]
	Treasury bills—Continued			
1962	Regular weekly—Continued			
Nov. 29	Issued May 31, 1962:			
	Redeemed in exchange for series dated Nov. 29, 1962, due Feb. 28, 1963	*Percent* [4] 2.786		$97,509,000.00
	Redeemed in exchange for series dated Nov. 29, 1962, due May 31, 1963			32,110,000.00
	Redeemable for cash			1,772,544,000.00
29	Maturing Feb. 28, 1963:			
	Issued in exchange for series dated May 31, 1962	2.853	$97,509,000.00	
	Issued for cash		1,202,877,000.00	
29	Maturing May 31, 1963:			
	Issued in exchange for series dated May 31, 1962	2.936	32,110,000.00	
	Issued for cash		768,634,000.00	
30	Certificates of indebtedness, foreign series, maturing Dec. 26, 1962	2.00		50,000,000.00
30	Treasury bonds, foreign currency series, maturing Feb. 28, 1964	3.00	50,013,787.50	
	U.S. savings bonds: [5]			
30	Series E-1941	[6] 3.223	970,344.51	2,568,514.88
30	Series E-1942	[6] 3.252	4,057,865.80	15,995,643.48
30	Series E-1943	[6] 3.276	4,692,827.62	16,805,962.88
30	Series E-1944	[6] 3.289	5,813,769.33	18,766,391.33
30	Series E-1945	[6] 3.316	10,537,300.12	15,806,987.90
30	Series E-1946	[6] 3.327	3,183,626.33	8,895,161.06
30	Series E-1947	[6] 3.346	3,192,839.50	9,214,409.19
30	Series E-1948	[6] 3.366	3,383,937.57	10,473,291.08
30	Series E-1949	[6] 3.344	3,763,924.77	10,962,111.56
30	Series E-1950	[6] 3.347	3,724,599.39	11,312,470.08
30	Series E-1951	[6] 3.378	3,338,529.22	12,154,839.95
30	Series E-1952 (January to April)	3.400	−25,274.25	4,962,867.92
30	Series E-1952 (May to December)	[6] 3.451	2,067,997.50	15,810,486.64
30	Series E-1953	[6] 3.468	11,218,790.24	11,819,927.67
30	Series E-1954	[6] 3.497	5,630,502.28	9,876,096.72
30	Series E-1955	[6] 3.522	5,309,541.72	10,792,963.41
30	Series E-1956	[6] 3.546	5,132,018.47	11,568,455.36
30	Series E-1957 (January)	3.560	−24.47	895,927.51
30	Series E-1957 (February to December)	[6] 3.653	5,866,904.60	11,124,204.20
30	Series E-1958	[6] 3.690	5,697,650.44	14,305,680.82
30	Series E-1059 (January to May)	3.730	2,656,305.06	7,140,286.93
30	Series E-1959 (June to December)	3.750	2,969,917.20	9,989,508.49
30	Series E-1960	3.750	6,246,171.86	20,488,387.78
30	Series E-1061	3.750	5,996,732.52	[7] 37,479,064.01
30	Series E-1962	3.750	341,890,430.74	110,157,994.74
30	Unclassified sales and redemptions		[7] −57,699,146.55	[7] −83,745,889.19
30	Series F-1950	2.53	239,814.50	4,145,778.50
30	Series F-1951	2.53	179,975.22	257,881.11
30	Series F-1952	2.53	−464.55	38,251.00
30	Unclassified redemptions			10,402,132.55
30	Series G-1950	2.50		19,916,500.00
30	Series G-1951	2.50		1,573,600.00
30	Series G-1952	2.50		689,400.00
30	Unclassified redemptions			15,261,200.00
30	Series H-1952	[6] 3.123		1,604,000.00
30	Series H-1953	[6] 3.161		3,313,000.00
30	Series H-1954	[6] 3.211		2,039,500.00
30	Series H-1955	[6] 3.258		3,197,000.00
30	Series H-1956	[6] 3.317		2,579,500.00
30	Series H-1957 (January)	3.360		317,500.00
30	Series H-1957 (February to December)	[6] 3.626		1,773,000.00
30	Series H-1958	[6] 3.679		2,770,000.00
30	Series H-1959 (January to May)	3.720		1,144,500.00
30	Series H-1959 (June to December)	3.750		1,138,000.00
30	Series H-1960	3.750		2,848,000.00
30	Series H-1961	3.750		3,207,500.00
30	Series H-1962	3.750	56,664,000.00	1,065,000.00
30	Unclassified sales and redemptions		918,500.00	[7] −4,400,500.00
30	Series J-1952	2.76	216,324.11	213,590.52
30	Series J-1953	2.76	197,547.76	338,415.92
30	Series J-1954	2.76	394,185.75	651,225.75
30	Series J-1955	2.76	314,388.40	697,547.35
30	Series J-1956	2.76	191,660.09	766,493.90

Footnotes at end of table.

TABLE 42.—*Issues, maturities, and redemptions of interest-bearing public debt securities, excluding special issues, July 1962–June 1963*—Continued

Date	Security	Rate of interest [1]	Amount issued [2]	Amount matured or called or redeemed prior to maturity [3]
1962	U.S. saving bonds [6]—Continued	*Percent*		
Nov. 30	Series J-1957	2.76	−$91.20	$69,892.80
30	Unclassified redemptions			356,232.28
30	Series K-1952	2.76		724,000.00
30	Series K-1953	2.76		850,500.00
30	Series K-1954	2.76		1,596,500.00
30	Series K-1955	2.76		1,451,000.00
30	Series K-1956	2.76		1,201,000.00
30	Series K-1957	2.76		228,500.00
30	Unclassified redemptions			[7] −1,552,000.00
30	Certificates of indebtedness, Series A-1963: Adjustments of exchange redemptions [8]	3½		−199,000.00
30	Certificates of indebtedness, Series B-1963: Adjustments of exchange redemptions [8]	4.00		−296,000.00
30	Treasury notes, Series A-1967: Adjustments of issues [8]	3¾	275,000.00	
30	Treasury bonds of 1972 (dated Sept. 15, 1962): Adjustments of issues [8]	4.00	−733,000.00	
30	Treasury notes, Series A-1963: Adjustments of exchange redemptions [8]	2⅝		−181,000.00
30	Treasury notes, Series B-1963: Adjustments of exchange redemptions [8]	4.00		−701,000.00
30	Treasury notes, Series D-1963: Adjustments of exchange redemptions [8]	3¼		3,504,000.00
30	Treasury notes, Series E-1963: Adjustments of exchange redemptions [8]	3¼		−2,585,000.00
30	Depositary bonds, First Series	2.00	1,031,000.00	1,241,000.00
30	Treasury bonds, R.E.A. series	2.00	614,000.00	135,000.00
30	Treasury bonds, Investment Series B-1975-80: Redeemed in exchange for 1½% Treasury notes, Series EO-1967	2¾		7,798,000.00
30	Treasury notes, Series EO-1967	1½	7,798,000.00	
30	Miscellaneous			16,891,800.00
	Total November		22,308,158,334.10	19,341,912,938.08
Dec. 1	U.S. savings bonds, Series F-1950: Redeemable for cash	2.53		82,630,267.50
1	U.S. savings bonds, Series G-1950: Redeemable for cash	2.50		217,825,000.00
	Treasury bills:			
	Regular weekly:			
6	Issued June 6, 1962:			
	Redeemed in exchange for series dated Dec. 6, 1962, due Mar. 7, 1963	[4] 2.818		76,261,000.00
	Redeemed in exchange for series dated Dec. 6, 1962, due June 6, 1963			22,763,000.00
	Redeemable for cash			1,904,335,000.00
6	Maturing Mar. 7, 1963:			
	Issued in exchange for series dated June 6, 1962	2.861	76,261,000.00	
	Issued for cash		1,224,052,000.00	
6	Maturing June 6, 1963:			
	Issued in exchange for series dated June 6, 1962	2.945	22,763,000.00	
	Issued for cash		778,102,000.00	
7	Certificates of indebtedness, foreign currency series, maturing Dec. 7, 1962	2.85		49,956,500.00
7	Treasury bonds, foreign currency series, maturing Mar. 9, 1964	3.00	49,933,250.00	
	Treasury bills:			
	Regular weekly:			
13	Issued June 14, 1962:			
	Redeemed in exchange for series dated Dec. 13, 1962, due Mar. 14, 1963	[4] 2.778		54,845,000.00
	Redeemed in exchange for series dated Dec. 13, 1962, due June 13, 1963			14,416,000.00
	Redeemable for cash			1,931,764,000.00
13	Maturing Mar. 14, 1963:			
	Issued in exchange for series dated June 14, 1962	2.807	54,845,000.00	
	Issued for cash		1,245,862,000.00	

Footnotes at end of table.

TABLE 42.—*Issues, maturities, and redemptions of interest-bearing public debt securities, excluding special issues, July 1962–June 1963*—Continued

Date	Security	Rate of interest [1]	Amount issued [2]	Amount matured or called or redeemed prior to maturity [3]
	Treasury bills—Continued			
1962	Regular weekly—Continued			
Dec. 13	Maturing June 13, 1963:			
	Issued in exchange for series dated June 14, 1962	*Percent* 2.861	$14,416,000.00	
	Issued for cash		786,580,000.00	
15	Treasury bonds of 1959–62 (dated Nov. 15, 1945):			
	Redeemable for cash	2¼		$218,089,500.00
15	Treasury bonds of 1960–65:			
	Redeemed in exchange for 3⅛% certificates of indebtedness, Series D-1963 (Exchange issues dated Nov. 15, 1962, redemptions held in suspense account until call date of Dec. 15, 1962)	2¾		120,947,000.00
	Redeemed in exchange for 3½% Treasury notes, Series B-1965 (Exchange issues dated Nov. 15, 1962, redemptions held in suspense account until call date of Dec. 15, 1962)			712,610,000.00
	Redeemed in exchange for 4% Treasury bonds of 1971 (Exchange issues dated Nov. 15, 1962, redemptions held in suspense account until call date of Dec. 15, 1962)			578,661,500.00
	Redeemable for cash			73,164,600.00
15	Treasury bonds of 1971 (additional issue):			
	Issued in exchange for U.S. savings bonds, Series F and G	3⅞	40,294,500.00	
	Issued for cash		92,500.00	
15	Treasury bonds of 1980 (additional issue):			
	Issued in exchange for U.S. savings bonds, Series F and G	4.00	33,062,500.00	
	Issued for cash		101,000.00	
	Treasury bills:			
	Regular weekly:			
20	Issued June 21, 1962:			
	Redeemed in exchange for series dated Dec. 20, 1962, due Mar. 21, 1963	[4] 2.797		137,934,000.00
	Redeemed in exchange for series dated Dec. 20, 1962, due June 20, 1963			57,748,000.00
	Redeemable for cash			1,806,072,000.00
20	Maturing Mar. 21, 1963:			
	Issued in exchange for series dated June 21, 1962	2.860	137,934,000.00	
	Issued for cash		1,163,071,000.00	
20	Maturing June 20, 1963:			
	Issued in exchange for series dated June 21, 1962	2.900	57,748,000.00	
	Issued for cash		742,231,000.00	
20	Certificates of indebtedness, foreign series, maturing Dec. 20, 1962	2.75		50,000,000.00
20	Certificates of indebtedness, foreign series, maturing June 20, 1963	2.75	50,000,000.00	
26	Certificates of indebtedness, foreign series, maturing Dec. 26, 1962	2.00		75,000,000.00
26	Certificates of indebtedness, foreign series, maturing Mar. 26, 1963	2.90	100,000,000.00	
26	Certificates of indebtedness, foreign series, maturing Dec. 26, 1962	2.75		100,000,000.00
27	Certificates of indebtedness, foreign series, maturing Dec. 27, 1962	2.75		100,000,000.00
27	Certificates of indebtedness, foreign series, maturing Mar. 27, 1963	2.90	100,000,000.00	
	Treasury bills:			
	Regular weekly:			
27	Issued June 28, 1962:			
	Redeemed in exchange for series dated Dec. 27, 1962, due Mar. 28, 1963	[4] 2.792		64,185,000.00
	Redeemed in exchange for series dated Dec. 27, 1962, due June 27, 1963			24,001,000.00
	Redeemable for cash			1,912,433,000.00

Footnotes at end of table.

TABLE 42.—*Issues, maturities, and redemptions of interest-bearing public debt securities, excluding special issues, July 1962–June 1963*—Continued

Date	Security	Rate of interest [1]	Amount issued [2]	Amount matured or called or redeemed prior to maturity [3]
	Treasury bills—Continued			
1962	Regular weekly—Continued			
Dec. 27	Maturing Mar. 28, 1963:			
	Issued in exchange for series dated June 28, 1962	*Percent* 2.893	$64,185,000.00	
	Issued for cash		1,244,886,000.00	
27	Maturing June 27, 1963:			
	Issued in exchange for series dated June 28, 1962	2.924	24,001,000.00	
	Issued for cash		777,566,000.00	
28	Certificates of indebtedness, foreign series, maturing Mar. 28, 1963	2.90	50,000,000.00	
	U.S. savings bonds: [5]			
31	Series E-1941	[6] 3.223	2,527,749.98	$1,909,950.99
31	Series E-1942	[6] 3.252	5,187,189.43	12,363,941.14
31	Series E-1943	[6] 3.276	4,984,133.90	12,661,516.54
31	Series E-1944	[6] 3.298	13,691,699.33	14,193,748.21
31	Series E-1945	[6] 3.316	10,573,641.13	12,001,318.25
31	Series E-1946	[6] 3.327	4,145,076.08	6,651,757.42
31	Series E-1947	[6] 3.346	4,176,929.16	6,777,015.50
31	Series E-1948	[6] 3.366	4,556,842.41	7,506,214.67
31	Series E-1949	[6] 3.344	5,277,849.63	8,115,551.43
31	Series E-1950	[6] 3.347	4,409,658.70	8,251,630.88
31	Series E-1951	[6] 3.378	3,985,308.05	8,381,547.21
31	Series E-1952 (January to April)	3.400	−42,425.04	3,472,636.92
31	Series E-1952 (May to December)	[6] 3.451	2,106,298.94	11,641,377.67
31	Series E-1953	[6] 3.468	8,215,539.77	8,651,635.19
31	Series E-1954	[6] 3.497	6,945,263.39	7,256,831.88
31	Series E-1955	[6] 3.522	6,462,696.76	7,959,755.69
31	Series E-1956	[6] 3.546	6,030,535.89	8,299,706.76
31	Series E-1957 (January)	3.560	−78	583,914.52
31	Series E-1957 (February to December)	[5] 3.653	7,023,870.45	8,404,606.94
31	Series E-1958	[6] 3.690	6,594,503.33	10,461,257.28
31	Series E-1959 (January to May)	3.730	−44,403.77	4,718,990.41
31	Series E-1959 (June to December)	3.750	6,614,593.26	7,251,167.16
31	Series E-1960	3.750	7,145,624.27	15,531,787.86
31	Series E-1961	3.750	6,387,450.51	27,376,014.63
31	Series E-1962	3.750	269,519,640.27	88,679,281.47
31	Unclassified sales and redemptions		[7] −13,809,981.05	[7] −13,576,272.86
31	Series F-1951	2.53	201,823.91	302,987.69
31	Series F-1952	2.53	−532.42	199,064.12
31	Unclassified redemptions			[7] −17,148,911.21
31	Series G-1951	2.50		2,688,700.00
31	Series G-1952	2.50		745,600.00
31	Unclassified redemptions			7,267,600.00
31	Series H-1952	[6] 3.123		2,416,500.00
31	Series H-1953	[6] 3.161		3,940,500.00
31	Series H-1954	[6] 3.211		3,512,500.00
31	Series H-1955	[6] 3.258		5,388,000.00
31	Series H-1956	[6] 3.317		3,738,500.00
31	Series H-1957 (January)	3.360		162,500.00
31	Series H-1957 (February to December)	[6] 3.626		3,199,000.00
31	Series H-1958	[6] 3.679		4,873,500.00
31	Series H-1959 (January to May)	3.720		2,029,500.00
31	Series H-1959 (June to December)	3.750		1,867,500.00
31	Series H-1960	3.750		4,893,500.00
31	Series H-1961	3.750		5,825,500.00
31	Series H-1962	3.750	51,505,500.00	2,266,500.00
31	Unclassified sales and redemptions		802,000.00	[7] −21,040,500.00
31	Series J-1952	2.76	208,042.51	403,567.30
31	Series J-1953	2.76	269,378.52	826,526.20
31	Series J-1954	2.76	493,165.75	1,731,922.95
31	Series J-1955	2.76	333,766.38	1,413,141.61
31	Series J-1956	2.76	237,729.79	966,114.70
31	Series J-1957	2.76	[8] −480.30	167,129.90
31	Unclassified redemptions			[7] −2,691,194.30
31	Series K-1952	2.76		1,322,500.00
31	Series K-1953	2.76		1,618,000.00
31	Series K-1954	2.76		3,078,500.00
31	Series K-1955	2.76		2,361,000.00
31	Series K-1956	2.76		1,539,500.00
31	Series K-1957	2.76		364,500.00
31	Unclassified redemptions			[7] −4,368,000.00

Footnotes at end of table.

TABLE 42.—*Issues, maturities, and redemptions of interest-bearing public debt securities, excluding special issues, July 1962–June 1963*—Continued

Date	Security	Rate of interest [1]	Amount issued [2]	Amount matured or called or redeemed prior to maturity [3]
1962		*Percent*		
Dec. 31	Certificates of indebtedness, Series D-1963: Adjustments of exchange issues [8]	3⅛	−$8,000.00	
31	Treasury notes, Series B-1965: Adjustments of exchange issues [8]	3½	−1,267,000.00	
31	Treasury bonds of 1972: Adjustments of exchange issues [8]	4.00	−223,000.00	
31	Depositary bonds, First Series	2.00	16,993,000.00	$2,056,000.00
31	Treasury bonds, R.E.A. series	2.00	2,102,000.00	691,000.00
31	Treasury bonds, Investment Series B-1975-80: Redeemed in exchange for 1½% Treasury notes, Series EO-1967	2¾		27,201,000.00
31	Treasury notes, Series EO-1967	1½	27,201,000.00	
31	Miscellaneous			20,698,600.00
	Total December		9,319,500,428.14	10,757,676,100.22
1963				
Jan. 2	Certificates of indebtedness, foreign series, maturing Jan. 2, 1963	2.75		10,000,000.00
2	Certificates of indebtedness, foreign series, maturing Apr. 2, 1963	2.95	10,000,000.00	
	Treasury bills:			
	Regular weekly:			
3	Issued July 5, 1962:			
	Redeemed in exchange for series dated Jan. 3, 1963, due Apr. 4, 1963	[4] 2.842		133,351,000.00
	Redeemed in exchange for series dated Jan. 3, 1963, due July 5, 1963			53,317,000.00
	Redeemable for cash			1,813,968,000.00
3	Maturing Apr. 4, 1963:			
	Issued in exchange for series dated July 5, 1962	2.926	133,351,000.00	
	Issued for cash		1,167,704,000.00	
3	Maturing July 5, 1963:			
	Issued in exchange for series dated July 5, 1962	2.966	53,317,000.00	
	Issued for cash		747,185,000.00	
4	Treasury notes, foreign series, maturing Apr. 6, 1964	3.10	125,000,000.00	
	Treasury bills:			
	Regular weekly:			
10	Issued July 12, 1962:			
	Redeemed in exchange for series dated Jan. 10, 1963, due Apr. 11, 1963	[4] 2.878		113,696,000.00
	Redeemed in exchange for series dated Jan. 10, 1963, due July 11, 1963			22,781,000.00
	Redeemable for cash			1,864,977,000.00
10	Maturing Apr. 11, 1963:			
	Issued in exchange for series dated July 12, 1962	2.920	113,696,000.00	
	Issued for cash		1,187,181,000.00	
10	Maturing July 11, 1963:			
	Issued in exchange for series dated July 12, 1962	2.966	22,781,000.00	
	Issued for cash		777,669,000.00	
	Other:			
15	Issued Jan. 15, 1962:			
	Redeemed in exchange for series dated Jan. 15, 1963, due Jan. 15, 1964	3.366		38,648,000.00
	Redeemable for cash			1,962,607,000.00
15	Maturing Jan. 15, 1964:			
	Issued in exchange for series dated Jan. 15, 1962	3.015	38,648,000.00	
	Issued for cash		2,457,503,000.00	
15	Certificates of indebtedness, foreign series, maturing Apr. 16, 1963	2.00	25,000,000.00	
16	Certificates of indebtedness, foreign series, maturing June 20, 1963	2.75		5,000,000.00

Footnotes at end of table.

TABLE 42.—*Issues, maturities, and redemptions of interest-bearing public debt securities, excluding special issues, July 1962–June 1963*—Continued

Date	Security	Rate of interest [1]	Amount issued [2]	Amount matured or called or redeemed prior to maturity [3]
	Treasury bills:			
1963	Regular weekly:			
Jan. 17	Issued July 19, 1962:			
	Redeemed in exchange for series dated Jan. 17, 1963, due Apr. 18, 1963	*Percent* [4] 2.883		$82,938,000.00
	Redeemed in exchange for series dated Jan. 17, 1963, due July 18, 1963			14,212,000.00
	Redeemable for cash			2,003,370,000.00
17	Maturing Apr. 18, 1963:			
	Issued in exchange for series dated July 19, 1962	2.884	$82,938,000.00	
	Issued for cash		1,218,139,000.00	
17	Maturing July 18, 1963:			
	Issued in exchange for series dated July 19, 1962	2.932	14,212,000.00	
	Issued for cash		785,833,000.00	
17	Treasury bonds of 1988–93:			
	Issued for cash	4.00	250,000,000.00	
21	Certificates of indebtedness, foreign series, maturing Mar. 28, 1963	2.90		50,000,000.00
21	Treasury notes, foreign series, maturing Jan. 21, 1968	3.125	58,000,000.00	
24	Certificates of indebtedness, foreign series, maturing Jan. 24, 1963	2.75		50,000,000.00
24	Treasury bonds, foreign currency series, maturing Apr. 24, 1964	3.13	49,942,500.00	
24	Treasury bonds, foreign currency series, maturing May 25, 1964	2.82	30,065,750.00	
24	Treasury bonds, foreign currency series, maturing July 24, 1964	3.18	49,942,500.00	
	Treasury bills:			
	Regular weekly:			
24	Issued July 26, 1962:			
	Redeemed in exchange for series dated Jan. 24, 1963, due Apr. 25, 1963	[4] 2.868		135,200,000.00
	Redeemed in exchange for series dated Jan. 24, 1963, due July 24, 1963			50,494,000.00
	Redeemable for cash			1,917,806,000.00
24	Maturing Apr. 25, 1963:			
	Issued in exchange for series dated July 26, 1962	2.923	135,200,000.00	
	Issued for cash		1,166,894,000.00	
24	Maturing July 24, 1963:			
	Issued in exchange for series dated July 26, 1962	2.976	50,494,000.00	
	Issued for cash		749,769,000.00	
31	Issued Aug. 2, 1962:			
	Redeemed in exchange for series dated Jan. 31, 1963, due May 2, 1963	[4] 2.824		82,202,000.00
	Redeemed in exchange for series dated Jan. 31 1963, due Aug. 1, 1963			21,490,000.00
	Redeemable for cash			1,997,786,000.00
31	Maturing May 2, 1963:			
	Issued in exchange for series dated Aug. 2, 1962	2.917	82,202,000.00	
	Issued for cash		1,218,273,000.00	
31	Maturing Aug. 1, 1963:			
	Issued in exchange for series dated Aug. 2, 1962	2.972	21,490,000.00	
	Issued for cash		778,504,000.00	
31	Certificates of indebtedness, foreign series, maturing June 20, 1963	2.75	5,000,000.00	
31	Treasury bonds of 1980 (additional issue):			
	Issued in exchange for Series F and G savings bonds	4.00	764,000.00	
	Issued for cash		500.00	
31	Treasury bonds of 1971 (additional issue):			
	Issued in exchange for Series F and G savings bonds	3⅞	1,019,000.00	
	Issued for cash		500.00	
31	Treasury bonds of 1972:			
	Adjustments of exchange issues [8]	4.00	−7,000.00	

Footnotes at end of table.

TABLE 42.—*Issues, maturities, and redemptions of interest-bearing public debt securities, excluding special issues, July 1962–June 1963*—Continued

Date	Security	Rate of interest [1]	Amount issued [2]	Amount matured or called or redeemed prior to maturity [3]
1963	U.S. savings bonds: [5]	*Percent*		
Jan. 31	Series E-1941	[6] 3.223	$645,125.53	$2,576,094.00
31	Series E-1942	[6] 3.252	5,186,262.87	15,841,184.92
31	Series E-1943	[6] 3.276	6,099,756.82	14,801,989.25
31	Series E-1944	[6] 3.298	11,416,897.87	17,502,482.06
31	Series E-1945	[6] 3.316	5,332,370.99	15,263,293.75
31	Series E-1946	[6] 3.327	4,233,413.44	7,788,420.27
31	Series E-1947	[6] 3.346	5,147,697.70	8,083,750.44
31	Series E-1948	[6] 3.366	5,391,362.17	9,597,634.08
31	Series E-1949	[6] 3.344	5,577,957.18	9,889,756.37
31	Series E-1950	[6] 3.347	5,735,345.45	9,400,377.38
31	Series E-1951	[6] 3.378	4,521,688.60	9,649,266.16
31	Series E-1952 (January to April)	3.400	2,504,032.24	3,717,608.00
31	Series E-1952 (May to December)	[6] 3.451	3,867,871.60	15,218,776.65
31	Series E-1953	[6] 3.468	5,458,537.15	10,639,721.19
31	Series E-1954	[6] 3.497	7,630,096.77	9,245,944.75
31	Series E-1955	[6] 3.522	7,649,321.96	9,360,524.19
31	Series E-1956	[6] 3.546	7,111,125.27	9,516,756.78
31	Series E-1957 (January)	3.560	3,071,747.95	701,031.53
31	Series E-1957 (February to December)	[6] 3.653	3,360,732.72	9,445,271.95
31	Series E-1958	[6] 3.690	7,562,547.57	11,347,177.43
31	Series E-1959 (January to May)	3.730	3,932,522.77	5,389,660.24
31	Series E-1959 (June to December)	3.750	3,156,576.61	8,017,750.90
31	Series E-1960	3.750	7,467,778.25	17,178,284.35
31	Series E-1961	3.750	8,181,127.70	29,901,231.76
31	Series E-1962	3.750	342,198,377.04	122,280,468.99
31	Unclassified sales and redemptions		103,533,909.51	100,207,907.57
31	Series F-1951	2.53	307,184.62	162,945.80
31	Series F-1952	2.53	151,982.96	86,210.98
31	Unclassified redemptions			[7] −13,121,036.04
31	Series G-1951	2.50		1,303,200.00
31	Series G-1952	2.50		424,900.00
31	Unclassified redemptions			[7] −22,261,100.00
31	Series H-1952	[6] 3.123		1,311,000.00
31	Series H-1953	[6] 3.161		3,266,000.00
31	Series H-1954	[6] 3.211		2,055,000.00
31	Series H-1955	[6] 3.258		2,579,500.00
31	Series H-1956	[6] 3.317		2,098,500.00
31	Series H-1957 (January)	3.360		87,500.00
31	Series H-1957 (February to December)	[6] 3.626		1,782,000.00
31	Series H-1958	[6] 3.679		2,826,500.00
31	Series H-1959 (January to May)	3.720		917,500.00
31	Series H-1959 (June to December)	3.750		1,238,000.00
31	Series H-1960	3.750		2,523,000.00
31	Series H-1961	3.750	1,000.00	2,884,500.00
31	Series H-1962	3.750	34,511,500.00	1,476,000.00
31	Unclassified sales and redemptions		75,172,500.00	[7] −2,120,500.00
31	Series J-1952	2.76	85,255.78	349,585.80
31	Series J-1953	2.76	231,648.98	442,792.18
31	Series J-1954	2.76	402,111.15	864,139.15
31	Series J-1955	2.76	427,062.61	1,128,285.05
31	Series J-1956	2.76	360,838.57	595,601.14
31	Series J-1957	2.76	101,654.70	109,437.30
31	Unclassified redemptions			490,051.15
31	Series K-1952	2.76		872,500.00
31	Series K-1953	2.76		837,500.00
31	Series K-1954	2.76		1,650,500.00
31	Series K-1955	2.76		1,369,500.00
31	Series K-1956	2.76		1,128,000.00
31	Series K-1957	2.76		205,500.00
31	Unclassified redemptions			[7] −614,500.00
31	U.S. retirement plan bonds	3.75	1,950.00	
31	Depositary bonds, First Series	2.00	98,000.00	1,686,000.00
31	Treasury bonds, R.E.A. series	2.00	340,000.00	10,000.00
31	Treasury bonds, Investment Series B-1975-80:			
	Redeemed in exchange for 1½% Treasury notes, Series EO-1967	2¾		17,135,000.00
31	Treasury notes, Series EO-1967	1½	17,135,000.00	
31	Miscellaneous			30,964,500.00
	Total January		14,313,012,623.10	12,955,149,377.47

Footnotes at end of table.

TABLE 42.—*Issues, maturities, and redemptions of interest-bearing public debt securities, excluding special issues, July 1962–June 1963*—Continued

Date	Security	Rate of interest [1]	Amount issued [2]	Amount matured or called or redeemed prior to maturity [3]
1963		*Percent*		
Feb. 1	Certificates of indebtedness, foreign series, maturing Apr. 16, 1963	2.00		$25,000,000.00
5	Certificates of indebtedness, foreign series, maturing Apr. 2, 1963	2.95		10,000,000.00
	Treasury bills:			
	Tax anticipation:			
6	Maturing June 24, 1963:			
	Issued for cash	2.929	$1,000,684,000.00	
	Regular weekly:			
7	Issued Aug. 9, 1962:			
	Redeemed in exchange for series dated Feb. 7, 1963, due May 9, 1963	[4] 2.892		102,256,000.00
	Redeemed in exchange for series dated Feb. 7, 1963, due Aug. 8, 1963			43,217,000.00
	Redeemable for cash			1,955,952,000.00
7	Maturing May 9, 1963:			
	Issued in exchange for series dated Aug. 9, 1962	2.947	102,256,000.00	
	Issued for cash		1,198,531,000.00	
7	Maturing Aug. 8, 1963:			
	Issued in exchange for series dated Aug. 9, 1962	2.995	43,217,000.00	
	Issued for cash		755,939,000.00	
14	Issued Aug. 16, 1962:			
	Redeemed in exchange for series dated Feb. 14, 1963, due May 16, 1963	[4] 2.891		52,929,000.00
	Redeemed in exchange for series dated Feb. 14, 1963, due Aug. 15, 1963			22,949,000.00
	Redeemable for cash			2,030,404,000.00
14	Maturing May 16, 1963:			
	Issued in exchange for series dated Aug. 16, 1962	2.944	52,929,000.00	
	Issued for cash		1,250,389,000.00	
14	Maturing Aug. 15, 1963:			
	Issued in exchange for series dated Aug. 16, 1962	2.995	22,949,000.00	
	Issued for cash		777,086,000.00	
14	Treasury bonds, foreign currency series, maturing Nov. 16, 1964	3.09	49,970,000.00	
14	Treasury bonds, foreign currency series, maturing Feb. 15, 1965	3.14	49,970,000.00	
15	Certificates of indebtedness, Series A-1963:			
	Redeemed in exchange for 3¼% certificates of indebtedness, Series A-1964	3½		4,690,167,000.00
	Redeemed in exchange for 3¾% Treasury bonds of 1968			972,720,000.00
	Redeemable for cash			55,957,000.00
15	Treasury notes, Series A-1963:			
	Redeemed in exchange for 3¼% certificates of indebtedness, Series A-1964	2⅝		652,334,000.00
	Redeemed in exchange for 3¾% Treasury bonds of 1968			743,405,000.00
	Redeemable for cash			91,132,000.00
15	Treasury notes, Series E-1963:			
	Redeemed in exchange for 3¼% certificates of indebtedness, Series A-1964	3¼		1,398,712,000.00
	Redeemed in exchange for 3¾% Treasury bonds of 1968			773,695,000.00
	Redeemable for cash			86,700,000.00
15	Certificates of indebtedness, Series A-1964:			
	Issued in exchange for 3½% certificates of indebtedness, Series A-1963	3¼	4,690,167,000.00	
	Issued in exchange for 2⅝% Treasury notes, Series A-1963		652,334,000.00	
	Issued in exchange for 3¼% Treasury notes, Series E-1963		1,398,712,000.00	
15	Treasury bonds of 1968:			
	Issued in exchange for 3½% certificates of indebtedness, Series A-1963	3¾	972,720,000.00	
	Issued in exchange for 2⅝% Treasury notes, Series A-1963		743,405,000.00	
	Issued in exchange for 3¼% Treasury notes, Series E-1963		773,695,000.00	

Footnotes at end of table.

TABLE 42.—*Issues, maturities, and redemptions of interest-bearing public debt securities, excluding special issues, July 1962–June 1963*—Continued

Date	Security	Rate of interest [1]	Amount issued [2]	Amount matured or called or redeemed prior to maturity [3]
1963		*Percent*		
Feb. 21	Certificates of indebtedness, foreign series, maturing June 20, 1963	2.75		$10,000,000.00
	Treasury bills:			
	Regular weekly:			
21	Issued Aug. 23, 1962:			
	Redeemed in exchange for series dated Feb. 21, 1963, due May 23, 1963	[4] 2.885		126,571,000.00
	Redeemed in exchange for series dated Feb. 21, 1963, due Aug. 22, 1963			42,423,000.00
	Redeemable for cash			1,930,976,000.00
21	Maturing May 23, 1963:			
	Issued in exchange for series dated Aug. 23, 1962	2.905	$126,571,000.00	
	Issued for cash		1,173,683,000.00	
21	Maturing Aug. 22, 1963:			
	Issued in exchange for series dated Aug. 23, 1962	2.969	42,423,000.00	
	Issued for cash		757,974,000.00	
28	Issued Aug. 30, 1962:			
	Redeemed in exchange for series dated Feb. 28, 1963, due May 31, 1963	[4] 2.899		121,586,000.00
	Redeemed in exchange for series dated Feb. 28, 1963, due Aug. 29, 1963			45,104,000.00
	Redeemable for cash			1,933,977,000.00
28	Maturing May 31, 1963:			
	Issued in exchange for series dated Aug. 30, 1962	2.870	121,586,000.00	
	Issued for cash		1,178,530,000.00	
28	Maturing Aug. 29, 1963:			
	Issued in exchange for series dated Aug. 30, 1962	2.922	45,104,000.00	
	Issued for cash		755,049,000.00	
28	Treasury bonds of 1980:			
	Issued in exchange for Series F and G savings bonds	4.00	11,500.00	
	U. S. savings bonds: [5]			
28	Series E-1941	[6] 3.223	449,689.11	2,923,509.18
28	Series E-1942	[6] 3.252	3,163,380.16	16,544,997.01
28	Series E-1943	[6] 3.276	4,743,346.45	18,634,361.89
28	Series E-1944	[6] 3.298	8,466,750.79	19,675,892.47
28	Series E-1945	[6] 3.316	3,730,065.97	16,342,244.26
28	Series E-1946	[6] 3.327	3,252,255.24	8,900,187.31
28	Series E-1947	[6] 3.346	3,638,978.20	9,746,216.11
28	Series E-1948	[6] 3.366	3,958,126.03	11,112,907.73
28	Series E-1949	[6] 3.344	4,250,476.16	11,600,432.10
28	Series E-1950	[6] 3.347	4,230,943.24	10,987,385.13
28	Series E-1951	[6] 3.378	3,578,733.46	10,924,050.43
28	Series E-1952 (January to April)	3.400	1,876,647.26	4,409,398.20
28	Series E-1952 (May to December)	[6] 3.451	4,887,536.52	15,746,964.95
28	Series E-1953	[6] 3.468	5,068,281.41	13,371,588.48
28	Series E-1954	[6] 3.497	6,170,843.90	8,555,117.88
28	Series E-1955	[6] 3.522	6,020,811.27	8,995,838.95
28	Series E-1956	[6] 3.546	5,757,120.47	9,051,511.40
28	Series E-1957 (January)	3.560	1.15	755,882.14
28	Series E-1957 (February to December)	[6] 3.653	5,739,422.84	8,511,846.24
28	Series E-1958	[6] 3.690	6,058,728.53	10,528,497.53
28	Series E-1959 (January to May)	3.730	3,062,466.44	4,706,521.87
28	Series E-1959 (June to December)	3.750	2,665,922.26	7,038,481.47
28	Series E-1960	3,750	6,282,620.80	14,615,907.29
28	Series E-1961	3.750	6,682,902.46	24,467,374.70
28	Series E-1962	3.750	289,873,227.48	106,840,589.87
28	Series E-1963	3.750	10,417,012.50	56.25
28	Unclassified sales and redemptions		75,889,822.45	[7] −26,574,579.86
28	Series F-1951	2.53	212,483.74	6,707,059.19
28	Series F-1952	2.53	106,091.77	1,514,528.43
28	Unclassified redemptions			[7] −5,159,087.79
28	Series G-1951	2.50		64,301,000.00
28	Series G-1952	2.50		13,418,900.00
28	Unclassified redemptions			[7] −57,448,800.00
28	Series H-1952	[6] 3.123		1,017,000.00
28	Series H-1953	[6] 3.161		1,280,500.00
28	Series H-1954	[6] 3.211		1,614,500.00
28	Series H-1955	[6] 3.258		2,180,500.00

Footnotes at end of table.

TABLE 42.—*Issues, maturities, and redemptions of interest-bearing public debt securities, excluding special issues, July 1962–June 1963*—Continued

Date	Security	Rate of interest [1]	Amount issued [2]	Amount matured or called or redeemed prior to maturity [3]
1963	U.S. savings bonds [5]—Continued	*Percent*		
Feb. 28	Series H-1956	[6] 3.317		$1,777,000.00
28	Series H-1957 (January)	3.360		142,500.00
28	Series H-1957 (February to December)	[6] 3.626		1,296,500.00
28	Series H-1958	[6] 3.679		2,350,000.00
28	Series H-1959 (January to May)	3.720		819,500.00
28	Series H-1959 (June to December)	3.750		1,093,000.00
28	Series H-1960	3.750		2,492,500.00
28	Series H-1961	3.750		2,321,000.00
28	Series H-1962	3.750	$492,500.00	1,435,000.00
28	Unclassified sales and redemptions		69,009,500.00	1,053,500.00
28	Series J-1952	2.76	67,468.35	533,895.80
28	Series J-1953	2.76	179,307.13	330,614.71
28	Series J-1954	2.76	358,771.00	1,305,735.65
28	Series J-1955	2.76	281,209.49	1,126,627.40
28	Series J-1956	2.76	321,046.52	479,271.37
28	Series J-1957	2.76	85,418.10	49,590.10
28	Unclassified redemptions			[7] −1,932,738.81
28	Series K-1952	2.76		525,000.00
28	Series K-1953	2.76		598,000.00
28	Series K-1954	2.76		1,510,500.00
28	Series K-1955	2.76		1,289,500.00
28	Series K-1956	2.76		796,500.00
28	Series K-1957	2.76		261,000.00
28	Unclassified redemptions			123,500.00
28	Treasury bonds of 1972 (dated Nov. 15, 1962): Adjustments of issues [8]	4.00	500.00	
28	U.S. retirement plan bonds	3.75	52,650.00	
28	Depositary bonds, First Series	2.00	155,000.00	611,000.00
28	Treasury bonds, R.E.A. series	2.00	180,000.00	546,000.00
28	Treasury bonds, Investment Series B-1975-80: Redeemed in exchange for 1½% Treasury notes, Series EO-1967	2¾		45,369,000.00
28	Treasury notes, Series EO-1967	1½	45,369,000.00	
28	Miscellaneous			26,313,100.00
	Total February		19,332,671,558.65	18,390,621,877.03
	Treasury bills:			
	Regular weekly:			
Mar. 7	Issued Sept. 6, 1962:			
	Redeemed in exchange for series dated Mar. 7, 1963, due June 6, 1963	[4] 2.900		122,336,000.00
	Redeemed in exchange for series dated Mar. 7, 1963, due Sept. 5, 1963			59,511,000.00
	Redeemable for cash			1,918,900,000.00
7	Maturing June 6, 1963:			
	Issued in exchange for series dated Sept. 6, 1962	2.897	122,336,000.00	
	Issued for cash		1,179,010,000.00	
7	Maturing Sept. 5, 1963:			
	Issued in exchange for series dated Sept. 6, 1962	2.938	59,511,000.00	
	Issued for cash		741,036,000.00	
11	Certificates of indebtedness, foreign series, due June 20, 1963	2.75		10,000,000.00
	Treasury bills:			
	Regular weekly:			
14	Issued Sept. 13, 1962:			
	Redeemed in exchange for series dated Mar. 14, 1963, due June 13, 1963	[4] 2.845		103,525,000.00
	Redeemed in exchange for series dated Mar. 14, 1963, due Sept. 12, 1963			18,620,000.00
	Redeemable for cash			1,979,280,000.00
14	Maturing June 13, 1963:			
	Issued in exchange for series dated Sept. 13, 1962	2.870	103,525,000.00	
	Issued for cash		1,196,852,000.00	
14	Maturing Sept. 12, 1963:			
	Issued in exchange for series dated Sept. 13, 1962	2.931	18,620,000.00	
	Issued for cash		781,645,000.00	

Footnotes at end of table.

TABLE 42.—*Issues, maturities, and redemptions of interest-bearing public debt securities, excluding special issues, July 1962–June 1963*—Continued

Date	Security	Rate of interest [1]	Amount issued [2]	Amount matured or called or redeemed prior to maturity [3]
1963		*Percent*		
Mar. 15	Certificates of indebtedness, Series C—1963:			
	Redeemed in exchange for 3⅝% Treasury notes, Series B—1967	3½		$959,945,000.00
	Redeemed in exchange for 3⅞% Treasury bonds of 1971			693,373,000.00
	Redeemed in exchange for 4% Treasury bonds of 1980			17,371,000.00
15	Certificates of indebtedness, Series D—1963:			
	Redeemed in exchange for 3½% Treasury notes, Series B—1967	3⅛		205,885,000.00
	Redeemed in exchange for 3⅞% Treasury bonds of 1971			93,607,000.00
	Redeemed in exchange for 4% Treasury bonds of 1980			2,113,000.00
15	Treasury notes, Series B—1965:			
	Redeemed in exchange for 3⅞% Treasury bonds of 1971	3½		136,239,000.00
	Redeemed in exchange for 4% Treasury bonds of 1980			195,465,000.00
15	Treasury notes, Series B—1966:			
	Redeemed in exchange for 3⅞% Treasury bonds of 1974	3⅝		313,811,000.00
	Redeemed in exchange for 4% Treasury bonds of 1980			420,040,000.00
15	Treasury bonds of 1963:			
	Redeemed in exchange for 3⅝% Treasury notes, Series B—1967	2½		2,275,339,500.00
	Redeemed in exchange for 3⅞% Treasury bonds of 1971			531,884,000.00
	Redeemed in exchange for 4% Treasury bonds of 1980			49,148,500.00
15	Treasury bonds of 1964:			
	Redeemed in exchange for 3⅝% Treasury notes, Series B—1967	3.00		844,905,500.00
	Redeemed in exchange for 3⅞% Treasury bonds of 1971			195,979,000.00
	Redeemed in exchange for 4% Treasury bonds of 1980			24,348,500.00
15	Treasury bonds of 1966:			
	Redeemed in exchange for 3⅞% Treasury bonds of 1974	3.00		250,545,000.00
	Redeemed in exchange for 4% Treasury bonds of 1980			209,578,500.00
15	Treasury bonds of 1966:			
	Redeemed in exchange for 3⅞% Treasury bonds of 1974	3⅜		372,794,000.00
	Redeemed in exchange for 4% Treasury bonds of 1980			212,994,500.00
15	Treasury notes, Series B-1967:			
	Issued in exchange for 3½% certificates of indebtedness, Series C-1963	3⅝	$959,945,000.00	
	Issued in exchange for 3⅛% certificates of indebtedness, Series D-1963		205,885,000.00	
	Issued in exchange for 2½% Treasury bonds of 1963		2,275,339,500.00	
	Issued in exchange for 3% Treasury bonds of 1964		844,905,500.00	
15	Treasury bonds of 1971:			
	Issued in exchange for 3½% certificates of indebtedness, Series C-1963	3⅞	693,373,000.00	
	Issued in exchange for 3⅛% certificates of indebtedness, Series D-1963		93,607,000.00	
	Issued in exchange for 2½% Treasury bonds of 1963		531,884,000.00	
	Issued in exchange for 3% Treasury bonds of 1964		195,979,000.00	
15	Treasury bonds of 1974:			
	Issued in exchange for 3½% Treasury notes, Series B-1965	3⅞	136,239,000.00	
	Issued in exchange for 3⅝% Treasury notes, Series B-1966		313,811,000.00	
	Issued in exchange for 3% Treasury bonds of 1966		250,545,000.00	
	Issued in exchange for 3⅜% Treasury bonds of 1966		372,794,000.00	

Footnotes at end of table.

TABLE 42.—*Issues, maturities, and redemptions of interest-bearing public debt securities, excluding special issues, July 1962–June 1963*—Continued

Date	Security	Rate of interest [1]	Amount issued [2]	Amount matured or called or redeemed prior to maturity [3]
1963				
Mar. 15	Treasury bonds of 1980:			
	Issued in exchange for 3½% certificates of indebtedness, Series C-1963	*Percent* 4.00	$17,371,000.00	
	Issued in exchange for 3⅛% certificates of indebtedness, Series D-1963		2,113,000.00	
	Issued in exchange for 3½% Treasury notes, Series B-1965		195,465,000.00	
	Issued in exchange for 3⅝% Treasury notes, Series B-1966		420,040,000.00	
	Issued in exchange for 2½% Treasury bonds of 1963		49,148,500.00	
	Issued in exchange for 3% Treasury bonds of 1964		24,348,500.00	
	Issued in exchange for 3% Treasury bonds of 1966		209,578,500.00	
	Issued in exchange for 3⅜% Treasury bonds of 1966		212,994,500.00	
	Treasury bills:			
	Regular weekly:			
21	Issued Sept. 20, 1962:			
	Redeemed in exchange for series dated Mar. 21, 1963, due June 20, 1963	[4] 2.894		$175,631,000.00
	Redeemed in exchange for series dated Mar. 21, 1963, due Sept. 19, 1963			54,349,000.00
	Redeemable for cash			1,871,601,000.00
	Treasury bills:			
	Regular weekly:			
21	Maturing June 20, 1963:			
	Issued in exchange for series dated Sept. 20, 1962	2.902	175,631,000.00	
	Issued for cash		1,125,683,000.00	
21	Maturing Sept. 19, 1963:			
	Issued in exchange for series dated Sept. 20, 1962	2.955	54,349,000.00	
	Issued for cash		746,246,000.00	
	Tax anticipation:			
22	Issued Oct. 3, 1962:			
	Redeemable for cash	2.616		3,005,221,000.00
22	Maturing June 24, 1963:			
	Issued for cash	2.855	1,502,258,000.00	
26	Certificates of indebtedness, foreign series, due Mar. 26, 1963	2.90		100,000,000.00
26	Certificates of indebtedness, foreign series, due June 26, 1963	2.95	100,000,000.00	
27	Certificates of indebtedness, foreign series, due June 20, 1963	2.75	7,500,000.00	
27	Certificates of indebtedness, foreign series, due Mar. 27, 1963	2.90		100,000,000.00
27	Certificates of indebtedness, foreign series, due June 27, 1963	2.95	100,000,000.00	
	Treasury bills:			
	Regular weekly:			
28	Issued Sept. 27, 1962:			
	Redeemed in exchange for series dated Mar. 28, 1963, due June 27, 1963	[4] 2.909		147,286,000.00
	Redeemed in exchange for series dated Mar. 28, 1963, due Sept. 26, 1963			53,955,000.00
	Redeemable for cash			1,807,945,000.00
28	Maturing June 27, 1963:			
	Issued in exchange for series dated Sept. 27, 1962	2.919	147,286,000.00	
	Issued for cash		1,153,563,000.00	
28	Maturing Sept. 26, 1963:			
	Issued in exchange for series dated Sept. 27, 1962	2.977	53,955,000.00	
	Issued for cash		746,091,000.00	
29	Treasury bonds, foreign currency series, due Jan. 27, 1964	3.00		24,974,375.00
29	Treasury bonds, foreign currency series, due Mar. 29, 1965	3.27	24,962,750.00	

Footnotes at end of table.

TABLE 42.—*Issues, maturities, and redemptions of interest-bearing public debt securities, excluding special issues, July 1962–June 1963*—Continued

Date	Security	Rate of interest [1]	Amount issued [2]	Amount matured or called or redeemed prior to maturity [3]
1963	U.S. savings bonds: [5]	*Percent*		
Mar. 31	Series E-1941	[6] 3.223	$416,558.05	$2,579,797.48
31	Series E-1942	[6] 3.252	3,383,374.19	14,411,688.63
31	Series E-1943	[6] 3.276	11,263,823.01	19,812,131.82
31	Series E-1944	[6] 3.298	3,891,163.78	19,633,720.75
31	Series E-1945	[6] 3.316	3,385,562.42	16,155,768.90
31	Series E-1946	[6] 3.327	3,049,053.31	8,505,942.10
31	Series E-1947	[6] 3.346	3,599,368.05	9,612,175.10
31	Series E-1948	[6] 3.366	3,640,162.70	10,095,479.23
31	Series E-1949	[6] 3.344	4,016,236.65	10,844,883.87
31	Series E-1950	[6] 3.347	4,073,959.31	10,487,257.32
31	Series E-1951	[6] 3.378	3,485,511.84	10,668,747.92
31	Series E-1952 (January to April)	3.400	1,804,124.77	4,494,976.40
31	Series E-1952 (May to December)	[6] 3.451	2,040,027.67	12,391,116.19
31	Series E-1953	[6] 3.468	9,694,224.01	16,413,563.08
31	Series E-1954	[6] 3.497	6,022,266.44	9,077,582.75
31	Series E-1955	[6] 3.522	6,060,300.81	9,739,686.54
31	Series E-1956	[6] 3.546	5,432,996.76	9,700,437.54
31	Series E-1957 (January)	3.560	6.54	931,904.28
31	Series E-1957 (February to December)	[6] 3.653	5,482,536.74	13,409,552.12
31	Series E-1958	[6] 3.690	5,990,475.67	11,088,413.90
31	Series E-1959 (January to May)	3.730	2,956,269.30	5,484,264.62
31	Series E-1959 (June to December)	3.750	2,748,418.68	7,984,211.32
31	Series E-1960	3.750	6,179,129.90	15,210,680.60
31	Series E-1961	3.750	6,730,724.32	22,840,096.53
31	Series E-1962	3.750	151,794,962.04	98,490,484.67
31	Series E-1963	3.750	235,134,412.50	49,575.00
31	Unclassified sales and redemptions		[7] −34,749,186.69	[7] −16,289,247.05
31	Series F-1951	2.53	263,600.04	6,288,210.50
31	Series F-1952	2.53	117,217.44	122,397.30
31	Unclassified redemptions			[7] −10,047,370.39
31	Series G-1951	2.50		29,187,500.00
31	Series G-1952	2.50		440,300.00
31	Unclassified redemptions			[7] −17,417,700.00
31	Series H-1952	[6] 3.123		1,193,500.00
31	Series H-1953	[6] 3.161		2,404,000.00
31	Series H-1954	[6] 3.211		1,937,000.00
31	Series H-1955	[6] 3.258		2,534,500.00
31	Series H-1956	[6] 3.317		1,811,500.00
31	Series H-1957 (January)	3.360		116,500.00
31	Series H-1957 (February to December)	[6] 3.626		1,372,500.00
31	Series H-1958	[6] 3.679		2,475,000.00
31	Series H-1959 (January to May)	3.720		1,014,500.00
31	Series H-1959 (June to December)	3.750		1,034,000.00
31	Series H-1960	3.750		2,216,000.00
31	Series H-1961	3.750		2,339,500.00
31	Series H-1962	3.750	38,130,500.00	1,610,000.00
31	Series H-1963	3.750	64,882,500.00	5,500.00
31	Unclassified sales and redemptions		[7] −36,356,000.00	5,595,500.00
31	Series J-1952	2.76	81,578.80	163,917.20
31	Series J-1953	2.76	192,075.04	298,273.20
31	Series J-1954	2.76	324,775.50	508,825.10
31	Series J-1955	2.76	365,534.23	541,001.20
31	Series J-1956	2.76	253,944.38	375,601.27
31	Series J-1957	2.76	76,397.70	100,674.60
31	Unclassified redemptions			1,179,291.11
31	Series K-1952	2.76		597,500.00
31	Series K-1953	2.76		584,000.00
31	Series K-1954	2.76		1,313,000.00
31	Series K-1955	2.76		1,311,500.00
31	Series K-1956	2.76		852,500.00
31	Series K-1957	2.76		82,500.00
31	Unclassified redemptions			46,000.00
31	Certificates of indebtedness, Series A-1964: Adjustments of issues [8]	3¼	1,000.00	
31	Treasury bonds of 1980: Issued in exchange for Series F and G savings bonds [8]	4.00	5,500.00	
31	Treasury bonds of 1968: Adjustments of issues [8]	3¾	−1,000.00	
31	U.S. retirement plan bonds	3.75	34,700.00	
31	Depositary bonds, First Series	2.00	2,281,000.00	2,444,000.00

Footnotes at end of table.

TABLE 42.—*Issues, maturities, and redemptions of interest-bearing public debt securities, excluding special issues, July 1962–June 1963*—Continued

Date	Security	Rate of interest [1]	Amount issued [2]	Amount matured or called or redeemed prior to maturity [3]
1963		*Percent*		
Mar. 31	Treasury bonds, R.E.A. series	2.00	$338,000.00	$208,000.00
31	Treasury bonds, Investment Series B—1975–80:			
	Redeemed in exchange for 1½% Treasury notes, Series EO—1967	2¾		151,272,000.00
31	Treasury notes, Series EO—1967	1½	151,272,000.00	
31	Miscellaneous			23,965,500.00
	Total March		18,825,215,535.90	20,134,412,187.70
Apr. 1	Treasury notes, Series EA—1963:			
	Redeemable for cash	1½		533,150,000.00
1	Certificates of indebtedness, foreign series, maturing Apr. 1, 1963	2.00		22,448,225.00
1	Treasury bonds, foreign currency series, maturing July 1, 1964	2.82	22,397,300.00	
2	Certificates of indebtedness, foreign series, maturing June 20, 1963	2.75	12,500,000.00	
4	Treasury bonds, foreign currency series, maturing Sept. 4, 1964	2.83	23,107,500.00	
	Treasury bills:			
	Regular weekly:			
4	Issued Oct. 4, 1962:			
	Redeemed in exchange for series dated Apr. 4, 1963, due July 5, 1963	[4] 2.917		125,708,000.00
	Redeemed in exchange for series dated Apr. 4, 1963, due Oct. 3, 1963			43,647,000.00
	Redeemable for cash			1,832,763,000.00
4	Maturing July 5, 1963:			
	Issued in exchange for series dated Oct. 4, 1962	2.922	125,708,000.00	
	Issued for cash		1,174,762,000.00	
4	Maturing Oct. 3, 1963:			
	Issued in exchange for series dated Oct. 4, 1962	2.982	43,647,000.00	
	Issued for cash		756,386,000.00	
11	Issued Oct. 11, 1962:			
	Redeemed in exchange for series dated Apr. 11, 1963, due July 11, 1963	[4] 2.901		136,381,000.00
	Redeemed in exchange for series dated Apr. 11, 1963, due Oct. 10, 1963			53,303,000.00
	Redeemable for cash			1,811,803,000.00
11	Maturing July 11, 1963:			
	Issued in exchange for series dated Oct. 11, 1962	2.913	136,381,000.00	
	Issued for cash		1,165,627,000.00	
11	Maturing Oct. 10, 1963:			
	Issued in exchange for series dated Oct. 11, 1962	2.978	53,303,000.00	
	Issued for cash		748,066,000.00	
11	Certificates of indebtedness, foreign series, maturing July 11, 1963	2.95	25,000,000.00	
	Treasury bills:			
	Other:			
15	Issued Apr. 15, 1962:			
	Redeemed in exchange for series dated Apr. 15, 1963, due Apr. 15, 1964	2.943		84,145,000.00
	Redeemable for cash			1,916,609,000.00
15	Maturing Apr. 15, 1964:			
	Issued in exchange for series dated Apr. 15, 1962	3.062	84,145,000.00	
	Issued for cash		2,416,618,000.00	
	Regular weekly:			
18	Issued Oct. 18, 1962:			
	Redeemed in exchange for series dated Apr. 18, 1963, due July 18, 1963	[4] 2.870		16,527,000.00
	Redeemed in exchange for series dated Apr. 18, 1963, due Oct. 17, 1963			3,937,000.00
	Redeemable for cash			1,980,651,000.00
18	Maturing July 18, 1963:			
	Issued in exchange for series dated Oct. 18, 1962	2.917	16,527,000.00	
	Issued for cash		1,284,209,000.00	

Footnotes at end of table.

TABLE 42.—*Issues, maturities, and redemptions of interest-bearing public debt securities, excluding special issues, July 1962–June 1963*—Continued

Date	Security	Rate of interest [1]	Amount issued [2]	Amount matured or called or redeemed prior to maturity [3]
	Treasury bills—Continued			
1963	Regular weekly—Continued			
Apr. 18	Maturing Oct. 17, 1963:			
	Issued in exchange for series dated Oct. 18, 1962	*Percent* 3.010	$3,937,000.00	
	Issued for cash		796,505,000.00	
18	Treasury bonds of 1989–94:			
	Issued for cash	4⅛	300,000,000.00	
	Treasury bills:			
	Regular weekly:			
25	Issued Oct. 25, 1962:			
	Redeemed in exchange for series dated Apr. 25, 1963, due July 25, 1963	[4] 2.890		$93,339,000.00
	Redeemed in exchange for series dated Apr. 25, 1963, due Oct. 24, 1963			33,366,000.00
	Redeemable for cash			1,875,668,000.00
25	Maturing July 25, 1963:			
	Issued in exchange for series dated Oct. 25, 1962	2.884	93,339,000.00	
	Issued for cash		1,206,898,000.00	
25	Maturing Oct. 24, 1963:			
	Issued in exchange for series dated Oct. 25, 1962	2.982	33,366,000.00	
	Issued for cash		767,734,000.00	
26	Treasury bonds, foreign currency series, maturing Oct. 26, 1964	3.23	25,154,798.76	
	U.S. savings bonds: [5]			
30	Series E-1941	[6] 3.223	501,730.78	1,908,656.49
30	Series E-1942	[6] 3.252	3,488,860.20	9,897,822.26
30	Series E-1943	[6] 3.276	8,887,046.75	16,446,093.22
30	Series E-1944	[6] 3.298	3,547,064.89	15,243,599.59
30	Series E-1945	[6] 3.316	4,210,124.65	12,307,887.72
30	Series E-1946	[6] 3.327	3,139,416.80	6,654,942.34
30	Series E-1947	[6] 3.346	3,387,326.14	7,328,904.38
30	Series E-1948	[6] 3.366	3,484,931.78	7,892,461.24
30	Series E-1949	[6] 3.344	3,718,211.96	8,522,266.92
30	Series E-1950	[6] 3.347	3,736,360.06	8,477,153.88
30	Series E-1951	[6] 3.378	3,529,996.59	8,218,576.54
30	Series E-1952 (January to April)	3.400	1,577,456.93	3,699,744.47
30	Series E-1952 (May to December)	[6] 3.451	1,809,867.69	8,445,795.26
30	Series E-1953	[6] 3.468	8,078,748.20	14,962,719.21
30	Series E-1954	[6] 3.497	5,702,046.83	8,158,834.07
30	Series E-1955	[6] 3.522	5,818,641.24	8,323,953.15
30	Series E-1956	[6] 3.546	5,372,684.43	8,089,822.40
30	Series E-1957 (January)	3.560	−25,317.20	770,958.53
30	Series E-1957 (February to December)	[6] 3.653	5,690,556.23	10,133,329.65
30	Series E-1958	[6] 3.690	6,036,802.17	9,520,223.35
30	Series E-1959 (January to May)	3.730	2,823,078.61	4,477,955.69
30	Series E-1959 (June to December)	3.750	3,327,199.62	6,444,536.08
30	Series E-1960	3.750	6,298,708.17	15,516,865.92
30	Series E-1961	3.750	6,818,460.63	20,339,767.89
30	Series E-1962	3.750	52,496,398.13	91,177,070.57
30	Series E-1963	3.750	303,218,831.25	11,704,537.50
30	Unclassified sales and redemptions		14,544,625.34	78,957,003.20
30	Series F-1951	2.53	165,069.05	7,441,402.52
30	Series F-1952	2.53	55,464.60	131,859.28
30	Unclassified redemptions			[7] −7,675,226.11
30	Series G-1951	2.50		30,685,100.00
30	Series G-1952	2.50		457,400.00
30	Unclassified redemptions			[7] −21,034,200.00
30	Series H-1952	[6] 3.123		1,296,500.00
30	Series H-1953	[6] 3.161		5,349,000.00
30	Series H-1954	[6] 3.211		2,210,000.00
30	Series H-1955	[6] 3.258		3,069,500.00
30	Series H-1956	[6] 3.317		2,409,000.00
30	Series H-1957 (January)	3.360		230,000.00
30	Series H-1957 (February to December)	[6] 3.626		1,549,500.00
30	Series H-1958	[6] 3.679		2,605,000.00
30	Series H-1959 (January to May)	3.720		1,240,500.00
30	Series H-1959 (June to December)	3.750		1,168,000.00
30	Series H-1960	3.750		2,856,500.00
30	Series H-1961	3.750		3,156,000.00
30	Series H-1962	3.750	1,579,000.00	2,478,500.00
30	Series H-1963	3.750	123,709,000.00	130,500.00
30	Unclassified sales and redemptions		[7] −58,054,000.00	[7] −5,091,000.00
30	Series J-1952	2.76	93,038.00	273,051.20

Footnotes at end of table.

TABLE 42.—*Issues, maturities, and redemptions of interest-bearing public debt securities, excluding special issues, July 1962–June 1963*—Continued

Date	Security	Rate of interest [1]	Amount issued [2]	Amount matured or called or redeemed prior to maturity [3]
1963	U.S. savings bonds [6]—Continued	*Percent*		
Apr. 30	Series J-1953	2.76	$181,622.51	$447,903.36
30	Series J-1954	2.76	324,375.10	1,056,558.05
30	Series J-1955	2.76	358,830.85	879,734.20
30	Series J-1956	2.76	187,646.33	406,805.37
30	Series J-1957	2.76	80,743.80	190,166.40
30	Unclassified redemptions			[7] −1,249,838.05
30	Series K-1952	2.76		1,010,500.00
30	Series K-1953	2.76		1,108,000.00
30	Series K-1954	2.76		1,516,500.00
30	Series K-1955	2.76		1,148,500.00
30	Series K-1956	2.76		782,500.00
30	Series K-1957	2.76		149,000.00
30	Unclassified redemptions			1,468,500.00
30	Treasury bonds of 1974:			
	Adjustments of issues: [8]			
	Issued in exchange for 3⅜% Treasury bonds of 1966	3⅞	150,000.00	
30	Treasury notes, series B-1967:			
	Adjustments of issues: [8]			
	Issued in exchange for 3½% certificates of indebtedness, Series C-1963	3⅝	35,000.00	
	Issued in exchange for 3½% Treasury bonds of 1963		100,000.00	
	Issued in exchange for 3% Treasury bonds of 1964		380,000.00	
30	Certificates of indebtedness, Series C-1963:			
	Adjustments of redemptions: [8]			
	Redeemed in exchange for 4% Treasury bonds of 1980	3½		−25,000.00
	Redeemed in exchange for 3⅝% Treasury notes, Series B-1967			35,000.00
	Redeemed in exchange for 3⅞% Treasury bonds of 1971			100,000.00
30	Treasury bonds of 1963:			
	Adjustments of redemptions: [8]			
	Redeemed in exchange for 3⅝% Treasury notes, Series B-1967	2½		100,000.00
	Redeemed in exchange for 3⅞% Treasury bonds of 1971			−100,000.00
30	Treasury bonds of 1964:			
	Adjustments of redemptions: [8]			
	Redeemed in exchange for 4% Treasury bonds of 1980	3.00		10,000.00
	Redeemed in exchange for 3⅝% Treasury notes, Series B-1967			380,000.00
30	Treasury bonds of 1966:			
	Adjustments of redemptions: [8]			
	Redeemed in exchange for 3⅞% Treasury bonds of 1974	3⅜		150,000.00
	Redeemed in exchange for 4% Treasury bonds of 1980			2,000.00
30	Treasury bonds of 1980:			
	Adjustments of issues: [8]			
	Issued in exchange for 3½% certificates of indebtedness, Series C-1963	4.00	−25,000.00	
	Issued in exchange for 3% Treasury bonds of 1964		10,000.00	
	Issued in exchange for 3% Treasury bonds of 1966		2,000.00	
30	U.S. retirement plan bonds	3.75	47,350.00	
30	Depositary bonds, First Series	2.00	1,606,000.00	3,729,000.00
30	Treasury bonds, R.E.A. series	2.00	3,655,000.00	
30	Treasury bonds, Investment Series B-1975-80:			
	Redeemed in exchange for Treasury notes, Series EO-1967	2¾		203,593,000.00
30	Treasury notes, Series EO-1967	1½	203,593,000.00	
30	Treasury bonds, Investment Series B-1975-80:			
	Redeemed in exchange for Treasury notes, Series EA-1968	2¾		3,254,000.00
30	Treasury notes, Series EA-1968	1½	3,254,000.00	
30	Miscellaneous			35,497,600.00
	Total April		12,068,025,597.87	11,257,644,022.74

Footnotes at end of table.

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TABLE 42.—*Issues, maturities, and redemptions of interest-bearing public debt securities, excluding special issues, July 1962–June 1963*—Continued

Date	Security	Rate of interest [1]	Amount issued [2]	Amount matured or called or redeemed prior to maturity [3]
	Treasury bills:			
1963	Regular weekly:			
May 2	Issued Nov. 1, 1962:			
	Redeemed in exchange for series dated May 2, 1963, due Aug. 1, 1963	*Percent* [4] 2.867		$92,695,000.00
	Redeemed in exchange for series dated May 2, 1963, due Oct. 31, 1963			31,469,000.00
	Redeemable for cash			1,877,098,000.00
2	Maturing Aug. 1, 1963:			
	Issued in exchange for series dated Nov. 1, 1962	2.897	$92,695,000.00	
	Issued for cash		1,208,990,000.00	
2	Maturing Oct. 1, 1963:			
	Issued in exchange for series dated Nov. 1, 1962	2.980	31,469,000.00	
	Issued for cash		769,481,000.00	
6	Certificates of indebtedness, foreign series, maturing Aug. 6, 1963	2.90	25,000,000.00	
	Treasury bills:			
	Regular weekly:			
9	Issued Nov. 8, 1962:			
	Redeemed in exchange for series dated May 9, 1963, due Aug. 8, 1963	[4] 2.940		150,869,000.00
	Redeemed in exchange for series dated May 9, 1963, due Nov. 7, 1963			58,210,000.00
	Redeemable for cash			1,794,006,000.00
9	Maturing Aug. 8, 1963:			
	Issued in exchange for series dated Nov. 8, 1962	2.905	150,869,000.00	
	Issued for cash		1,150,106,000.00	
9	Maturing Nov. 7, 1963:			
	Issued in exchange for series dated Nov. 8, 1962	2.993	58,210,000.00	
	Issued for cash		743,576,000.00	
15	Certificates of indebtedness, Series B-1963:			
	Redeemed in exchange for 3¼% certificates of indebtedness, Series B-1964	3¼		3,768,140,000.00
	Redeemed in exchange for 3⅝% Treasury notes, Series B-1966			1,399,568,000.00
	Redeemable for cash			116,769,000.00
15	Treasury notes, Series B-1963:			
	Redeemed in exchange for 3¼% certificates of indebtedness, Series B-1964	4.00		289,148,000.00
	Redeemed in exchange for 3⅝% Treasury notes, Series B-1966			628,299,000.00
	Redeemable for cash			265,916,000.00
15	Treasury notes, Series D-1963:			
	Redeemed in exchange for 3¼% certificates of indebtedness, Series B-1964	3¼		1,635,872,000.00
	Redeemed in exchange for 3⅝% Treasury notes, Series B-1966			1,244,771,000.00
	Redeemable for cash			146,206,000.00
15	Certificates of indebtedness, Series B-1964:			
	Issued in exchange for 3¼% certificates of indebtedness, Series B-1963	3¼	3,768,140,000.00	
	Issued in exchange for 4% Treasury notes, Series B-1963		289,148,000.00	
	Issued in exchange for 3¼% Treasury notes, Series D-1963		1,635,872,000.00	
15	Treasury notes, Series B-1966:			
	Issued in exchange for 3¼% certificates of indebtedness, Series B-1963	3⅝	1,399,568,000.00	
	Issued in exchange for 4% Treasury notes, Series B-1963		628,299,000.00	
	Issued in exchange for 3¼% Treasury notes, Series D-1963		1,244,771,000.00	
	Treasury bills:			
	Regular weekly:			
16	Issued Nov. 15, 1962:			
	Redeemed in exchange for series dated May 16, 1963, due Aug. 15, 1963	[4] 2.909		13,361,000.00
	Redeemed in exchange for series dated May 16, 1963, due Nov. 14, 1963			4,407,000.00
	Redeemable for cash			1,986,876,000.00

Footnotes at end of table.

TABLE 42.—*Issues, maturities, and redemptions of interest-bearing public debt securities, excluding special issues, July 1962–June 1963*—Continued

Date	Security	Rate of interest [1]	Amount issued [2]	Amount matured or called or redeemed prior to maturity [3]
	Treasury bills—Continued			
1963	Regular weekly—Continued			
May 16	Maturing Aug. 15, 1963:			
	Issued in exchange for series dated Nov. 15, 1962	*Percent* 2.903	$13,361,000.00	
	Issued for cash		1,288,147,000.00	
16	Maturing Nov. 14, 1963:			
	Issued in exchange for series dated Nov. 15, 1962	2.990	4,407,000.00	
	Issued for cash		796,260,000.00	
16	Treasury bonds, foreign currency series, maturing Nov. 16, 1964	2.82	23,133,689.59	
16	Treasury bonds, foreign currency series, maturing May 16, 1965	3.26	20,055,151.67	
20	Certificates of indebtedness, foreign series, maturing Aug. 20, 1963	2.95	35,000,000.00	
20	Treasury bonds, foreign currency series, maturing May 20, 1965	3.22	10,029,335.81	
	Treasury bills:			
	Regular weekly:			
23	Issued Nov. 23, 1962:			
	Redeemed in exchange for series dated May 23, 1963, due Aug. 22, 1963	[4] 2.900		$141,706,000.00
	Redeemed in exchange for series dated May 23, 1963, due Nov. 21, 1963			64,066,000.00
	Redeemable for cash			1,894,476,000.00
23	Maturing Aug. 22, 1963:			
	Issued in exchange for series dated Nov. 23, 1962	2.922	141,706,000.00	
	Issued for cash		1,159,986,000.00	
23	Maturing Nov. 21, 1963:			
	Issued in exchange for series dated Nov. 23, 1962	3.005	64,066,000.00	
	Issued for cash		736,362,000.00	
24	Certificates of indebtedness, foreign series, maturing Aug. 26, 1963	2.95	25,000,000.00	
29	Certificates of indebtedness, foreign series, maturing Aug. 29, 1963	3.00	15,000,000.00	
31	Certificates of indebtedness, foreign series, maturing July 16, 1963	2.00	25,000,000.00	
	Treasury bills:			
	Regular weekly:			
31	Issued Nov. 29, 1962:			
	Redeemed in exchange for series dated May 31, 1963, due Aug. 29, 1963	[4] 2.895		157,443,000.00
	Redeemed in exchange for series dated May 31, 1963, due Nov. 29, 1963			2,790,000.00
	Redeemable for cash			1,940,627,000.00
31	Maturing Aug. 29, 1963:			
	Issued in exchange for series dated Nov. 29, 1962	2.973	157,443,000.00	
	Issued for cash		1,144,934,000.00	
31	Maturing Nov. 29, 1963:			
	Issued in exchange for series dated Nov. 29, 1962	3.055	2,790,000.00	
	Issued for cash		798,506,000.00	
	U.S. savings bonds: [5]			
31	Series E-1941	[6] 3.223	919,956.55	2,606,743.91
31	Series E-1942	[6] 3.252	3,676,719.35	12,814,650.14
31	Series E-1943	[6] 3.276	4,685,888.63	24,106,065.39
31	Series E-1944	[6] 3.298	6,074,276.15	19,727,124.23
31	Series E-1945	[6] 3.316	10,259,224.13	16,207,856.14
31	Series E-1946	[6] 3.327	3,129,287.09	8,898,247.57
31	Series E-1947	[6] 3.346	3,107,485.39	9,699,603.89
31	Series E-1948	[6] 3.366	3,484,425.04	10,572,031.49
31	Series E-1949	[6] 3.344	3,670,509.49	11,432,901.53
31	Series E-1950	[6] 3.347	3,620,148.79	11,263,151.94
31	Series E-1951	[6] 3.378	3,294,252.30	10,945,540.51
31	Series E-1952 (January to April)	3.400	−35,006.33	4,823,923.56
31	Series E-1952 (May to December)	[6] 3.451	1,708,680.32	10,312,094.94
31	Series E-1953	[6] 3.468	7,859,248.43	20,617,026.19
31	Series E-1954	[6] 3.497	5,561,438.48	9,939,891.80
31	Series E-1955	[6] 3.522	5,583,131.30	10,742,674.76
31	Series E-1956	[6] 3.546	5,212,748.28	10,762,014.53
31	Series E-1957 (January)	3.560	−7.63	1,178,909.76

Footnotes at end of table.

TABLE 42.—*Issues, maturities, and redemptions of interest-bearing public debt securities, excluding special issues, July 1962–June 1963*—Continued

Date	Security	Rate of interest [1]	Amount issued [2]	Amount matured or called or redeemed prior to maturity [3]
1963	U.S. saving bonds [5]—Continued	*Percent*		
May 31	Series E-1957 (February to December)	[6] 3.653	$5,914,925.00	$16,359,312.54
31	Series E-1958	[6] 3.690	5,675,725.63	12,705,457.28
31	Series E-1959 (January to May)	3.730	2,663,104.74	7,764,906.55
31	Series E-1959 (June to December)	3.750	3,059,365.38	11,602,887.29
31	Series E-1960	3.750	5,827,758.23	18,040,290.02
31	Series E-1961	3.750	6,512,120.03	26,338,344.12
31	Series E-1962	3.750	9,554,583.97	85,777,623.53
31	Series E-1963	3.750	405,313,593.75	49,742,400.00
31	Unclassified sales and redemptions		[7] −43,629,396.01	[7] −68,487,954.63
31	Series F-1951	2.53	150,172.72	3,581,827.50
31	Series F-1952	2.53	−10,073.89	175,084.00
31	Unclassified redemptions			[7] −367,497.83
31	Series G-1951	2.50		15,334,300.00
31	Series G-1952	2.50		398,400.00
31	Unclassified redemptions			[7] −2,358,100.00
31	Series H-1952	[6] 3.123		616,000.00
31	Series H-1953	[6] 3.161		3,912,000.00
31	Series H-1954	[6] 3.211		1,895,000.00
31	Series H-1955	[6] 3.258		2,790,000.00
31	Series H-1956	[6] 3.317		1,996,500.00
31	Series H-1957 (January)	3.360		186,000.00
31	Series H-1957 (February to December)	[6] 3.626		1,505,500.00
31	Series H-1958	[6] 3.679		2,393,500.00
31	Series H-1959 (January to May)	3.720		1,024,500.00
31	Series H-1959 (June to December)	3.750		1,154,000.00
31	Series H-1960	3.750		2,468,500.00
31	Series H-1961	3.750		2,664,500.00
31	Series H-1962	3.750	43,000.00	2,007,500.00
31	Series H-1963	3.750	69,438,000.00	20,500.00
31	Unclassified sales and redemptions		[7] −8,706,000.00	1,500,500.00
31	Series J-1952	2.76	214,292.00	122,454.20
31	Series J-1953	2.76	198,054.33	294,020.88
31	Series J-1954	2.76	373,587.55	674,632.25
31	Series J-1955	2.76	305,466.35	440,060.90
31	Series J-1956	2.76	192,244.87	212,929.65
31	Series J-1957	2.76	−345.60	172,813.40
31	Unclassified redemptions			691,061.36
31	Series K-1952	2.76		638,500.00
31	Series K-1953	2.76		1,113,500.00
31	Series K-1954	2.76		2,033,000.00
31	Series K-1955	2.76		1,937,000.00
31	Series K-1956	2.76		1,226,000.00
31	Series K-1957	2.76		176,500.00
31	Unclassified redemptions			[7] −1,955,000.00
31	Treasury bonds of 1963:			
	Adjustments of redemptions: [8]			
	Redeemed in exchange for 3⅝% Treasury notes, Series B-1967	2½		−55,000.00
	Redeemed in exchange for 4% Treasury bonds of 1971			40,000.00
31	Treasury notes, Series B-1967:			
	Adjustments of issues: [8]			
	Issued in exchange for 2½% Treasury bonds of 1963	3⅝	−55,000.00	
31	Treasury bonds of 1971:			
	Adjustments of issues: [8]			
	Issued in exchange for 2½% Treasury bonds of 1963	4.00	40,000.00	
31	Treasury notes, Series B-1966:			
	Adjustments of redemptions: [8]			
	Redeemed in exchange for 3⅞% Treasury bonds of 1974	3⅝		−53,000.00
31	Treasury bonds of 1966:			
	Adjustments of redemptions: [8]			
	Redeemed in exchange for 3⅞% Treasury bonds of 1974	3⅜		53,000.00
31	U.S. retirement plan bonds	3.75	21,150.00	
31	Depositary bonds, First Series	2.00	43,000.00	1,212,000.00
31	Treasury bonds, R.E.A. series	2.00	689,000.00	470,000.00
31	Treasury bonds, Investment Series B-1975–80:			
	Redeemed in exchange for Treasury notes, Series EA-1968	2¾		22,090,000.00

Footnotes at end of table.

TABLE 42.—*Issues, maturities, and redemptions of interest-bearing public debt securities, excluding special issues, July 1962–June 1963*—Continued

Date	Security	Rate of interest [1]	Amount issued [2]	Amount matured or called or redeemed prior to maturity [3]
1963		*Percent*		
May 31	Treasury notes, Series EA-1968	1½	$22,090,000.00	
31	Miscellaneous			$29,598,100.00
	Total May		20,215,110,911.88	20,175,312,805.29
	Treasury bills:			
	Regular weekly:			
June 6	Issued Dec. 6, 1962:			
	Redeemed in exchange for series dated June 6, 1963, due Sept. 5, 1963	[4] 2.915		137,280,000.00
	Redeemed in exchange for series dated June 6, 1963, due Dec. 5, 1963			52,901,000.00
	Redeemable for cash			1,912,030,000.00
6	Maturing Sept. 5, 1963:			
	Issued in exchange for series dated Dec. 6, 1962	3.027	137,280,000.00	
	Issued for cash		1,165,286,000.00	
6	Maturing Dec. 5, 1963:			
	Issued in exchange for series dated Dec. 6, 1962	3.098	52,901,000.00	
	Issued for cash		747,318,000.00	
13	Issued Dec. 13, 1962:			
	Redeemed in exchange for series dated June 13, 1963, due Sept. 12, 1963	[4] 2.866		14,277,000.00
	Redeemed in exchange for series dated June 13, 1963, due Dec. 12, 1963			3,386,000.00
	Redeemable for cash			2,083,710,000.00
13	Maturing Sept. 12, 1963:			
	Issued in exchange for series dated Dec. 13, 1962	2.975	14,277,000.00	
	Issued for cash		1,285,987,000.00	
13	Maturing Dec. 12, 1963:			
	Issued in exchange for series dated Dec. 13, 1962	3.063	3,386,000.00	
	Issued for cash		797,543,000.00	
14	Treasury certificates, maturing Dec. 31, 1963	1.00	2,500,000.00	
18	Certificates of indebtedness, foreign series, maturing Sept. 18, 1963	3.00	25,000,000.00	
20	Certificates of indebtedness, foreign series, maturing June 20, 1963	2.75		50,000,000.00
20	Certificates of indebtedness, foreign series, maturing Sept. 20, 1963	3.00	25,000,000.00	
20	Certificates of indebtedness, foreign series, maturing Dec. 20, 1963	2.75	50,000,000.00	
20	Treasury bonds of 1970:			
	Issued for cash	4.00	1,905,712,000.00	
	Treasury bills:			
	Regular weekly:			
20	Issued Dec. 20, 1962:			
	Redeemed in exchange for series dated June 20, 1963, due Sept. 19, 1963	[4] 2.902		201,662,000.00
	Redeemed in exchange for series dated June 20, 1963, due Dec 19, 1963			65,448,000.00
	Redeemable for cash			1,834,183,000.00
20	Maturing Sept. 19, 1963:			
	Issued in exchange for series dated Dec. 20, 1962	2.997	201,662,000.00	
	Issued for cash		1,100,040,000.00	
20	Maturing Dec. 19, 1963:			
	Issued in exchange for series dated Dec. 20, 1962	3.081	65,448,000.00	
	Issued for cash		735,252,000.00	
21	Certificates of indebtedness, foreign series, maturing Sept. 23, 1963	3.00	25,000,000.00	
	Treasury bills:			
	Tax anticipation:			
24	Issued Feb. 6, 1963:			
	Redeemable for cash	[4] 2.885		2,502,942,000.00
26	Certificates of indebtedness, foreign series, maturing June 26, 1963	2.95		100,000,000.00

Footnotes at end of table.

TABLE 42.—*Issues, maturities, and redemptions of interest-bearing public debt securities, excluding special issues, July 1962–June 1963*—Continued

Date	Security	Rate of interest [1]	Amount issued [2]	Amount matured or called or redeemed prior to maturity [3]
1963		*Percent*		
June 26	Certificates of indebtedness, foreign series, maturing Sept. 26, 1963	3.00	$100,000,000.00	
	Treasury bills:			
	Regular weekly:			
27	Issued Dec. 27, 1962:			
	Redeemed in exchange for series dated June 27, 1963, due Sept. 26, 1963	[4] 2.921		$129,315,000.00
	Redeemed in exchange for series dated June 27, 1963, due Dec. 26, 1963			44,491,000.00
	Redeemable for cash			1,928,610,000.00
27	Maturing Sept. 26, 1963:			
	Issued in exchange for series dated Dec. 27, 1962	2.979	129,315,000.00	
	Issued for cash		1,172,520,000.00	
27	Maturing Dec. 26, 1963:			
	Issued in exchange for series dated Dec. 27, 1962	3.070	44,491,000.00	
	Issued for cash		754,346,000.00	
27	Certificates of indebtedness, foreign series, maturing Dec. 20, 1963	2.75		10,000,000.00
27	Certificates of indebtedness, foreign series, maturing June 27, 1963	2.95		100,000,000.00
27	Certificates of indebtedness, foreign series, maturing Dec. 27, 1963	3.10	100,000,000.00	
28	Treasury bonds, foreign currency series, maturing Feb. 7, 1964	3.00		74,923,125.00
28	Treasury bonds, foreign currency series, maturing June 28, 1965	3.30	74,773,268.15	
	U.S. savings bonds: [5]			
30	Series E-1941	[6] 3.223	2,423,097.83	2,053,557.20
30	Series E-1942	[6] 3.252	4,547,037.35	9,932,379.98
30	Series E-1943	[6] 3.276	4,855,013.83	20,511,310.20
30	Series E-1944	[6] 3.298	14,139,574.31	16,381,018.69
30	Series E-1945	[6] 3.316	10,224,095.14	13,778,181.70
30	Series E-1946	[6] 3.327	4,015,711.64	7,073,494.39
30	Series E-1947	[6] 3.346	3,993,921.68	7,634,182.67
30	Series E-1948	[6] 3.366	4,659,202.98	8,575,888.62
30	Series E-1949	[6] 3.344	5,098,352.24	9,097,379.79
30	Series E-1950	[6] 3.347	4,241,511.05	8,803,792.30
30	Series E-1951	[6] 3.378	3,852,836.66	8,905,948.78
30	Series E-1952 (January to April)	3.400	−63,869.27	3,507,548.09
30	Series E-1952 (May to December)	[6] 3.451	1,921,664.67	7,914,652.08
30	Series E-1953	[6] 3.468	2,589,067.40	17,365,849.50
30	Series E-1954	[6] 3.497	6,961,381.10	8,022,035.54
30	Series E-1955	[6] 3.522	6,762,028.53	9,082,995.22
30	Series E-1956	[6] 3.546	5,856,432.01	9,049,751.88
30	Series E-1957 (January)	3.560	−.41	840,653.09
30	Series E-1957 (February to December)	[6] 3.653	6,670,124.14	11,027,950.89
30	Series E-1958	[6] 3.690	6,440,683.25	10,529,776.02
30	Series E-1959 (January to May)	3.730	−83,340.43	5,472,881.62
30	Series E-1959 (June to December)	3.750	6,654,708.18	7,932,202.09
30	Series E-1960	3.750	6,564,192.79	14,626,511.82
30	Series E-1961	3.750	6,862,179.00	21,357,270.14
30	Series E-1962	3.750	12,008,819.22	57,874,963.78
30	Series E-1963	3.750	328,497,468.75	59,494,331.25
30	Unclassified sales and redemptions		[7] −29,454,873.67	[7] 3,470,291.52
30	Series F-1951	2.53	202,213.30	3,676,166.45
30	Series F-1952	2.53	−1,140.38	27,080.30
30	Unclassified redemptions			[7] 1,422,706.91
30	Series G-1951	2.50		14,165,400.00
30	Series G-1952	2.50		593,000.00
30	Unclassified redemptions			[7] −1,766,200.00
30	Series H-1952	[6] 3.123		614,000.00
30	Series H-1953	[6] 3.161		4,378,500.00
30	Series H-1954	[6] 3.211		1,930,000.00
30	Series H-1955	[6] 3.258		2,696,000.00
30	Series H-1956	[6] 3.317		2,418,000.00
30	Series H-1957 (January)	3.360		130,000.00
30	Series H-1957 (February to December)	[6] 3.626		1,656,000.00
30	Series H-1958	[6] 3.679		2,652,000.00
30	Series H-1959 (January to May)	3.720		979,500.00
30	Series H-1959 (June to December)	3.750		1,069,000.00
30	Series H-1960	3.750		2,556,000.00

Footnotes at end of table.

TABLE 42.—*Issues, maturities, and redemptions of interest-bearing public debt securities, excluding special issues, July 1962–June 1963*—Continued

Date	Security	Rate of interest [1]	Amount issued [2]	Amount matured or called or redeemed prior to maturity [3]
1963	U.S. saving bonds [5]—Continued	*Percent*		
June 30	Series H-1961	3.750		$2,693,000.00
30	Series H-1962	3.750	$1,000.00	2,358,000.00
30	Series H-1963	3.750	63,815,000.00	41,000.00
30	Unclassified sales and redemptions		[7] −7,544,000.00	1,391,500.00
30	Series J-1952	2.76	204,577.60	276,974.80
30	Series J-1953	2.76	273,526.67	558,724.47
30	Series J-1954	2.76	473,244.45	848,647.80
30	Series J-1955	2.76	328,174.70	477,147.30
30	Series J-1956	2.76	236,411.66	363,634.57
30	Series J-1957	2.76	−830.10	68,721.60
30	Unclassified redemptions			76,787.44
30	Series K-1952	2.76		600,500.00
30	Series K-1953	2.76		744,000.00
30	Series K-1954	2.76		1,840,500.00
30	Series K-1955	2.76		1,122,500.00
30	Series K-1956	2.76		829,000.00
30	Series K-1957	2.76		124,500.00
30	Unclassified redemptions			1,299,500.00
30	U.S. retirement plan bonds	3.75	27,550.00	
30	Depositary bonds, First Series	2.00	852,000.00	2,006,000.00
30	Treasury bonds, R.E.A. series	2.00	410,000.00	3,800,000.00
30	Treasury bonds, Investment Series B-1975-80: Redeemed in exchange for Treasury notes, Series EA-1968	2¾		18,619,000.00
30	Treasury notes, Series EA-1968	1½	18,619,000.00	
30	Miscellaneous			19,910,300.00
	Total June		11,223,171,016.02	11,694,936,018.63
	Total fiscal year 1963		189,010,199,677.92	181,361,583,741.91

1 For Treasury bills, average rates on bank discount basis are shown; for savings bonds, approximate yield to maturity is shown.
2 Since May 1, 1957, Series E and H bonds have been the only savings bonds on sale. Amounts shown for Series E, F, and J represent issue price plus accrued discount, and amounts shown for Series H represent issue price at par.
3 For savings bonds of Series E, F, and J, amounts represent current redemption value (issue price plus accrued discount); and for Series G, H, and K, amounts represent redemption value at par.
4 Average interest rate for combined original and additional issues.
5 At option of owner, Series E bonds dated May 1, 1941, through May 1, 1949, may be held and will accrue interest for additional 20 years; bonds dated on and after June 1, 1949, may be held and will accrue interest for additional 10 years. At option of owner, Series H bonds dated June 1, 1952, through Jan. 1, 1957, may be held and will accrue interest for additional 10 years.
6 Represents a weighted average of the approximate yields of bonds of various issue dates within the yearly series if held to maturity or if held from issue date to end of applicable extension period, computed on the basis of bonds outstanding June 30, 1962. (See Treasury Circulars Nos. 653 and 905 revised Sept. 23, 1959, and first amendments thereto dated Mar. 21, 1961, and Aug. 2, 1961, respectively, for details of yields by issue dates.)
7 Amounts transferred from unclassified sales or redemptions to sales or redemptions of designated series.
8 Adjustments of amounts originally reported on date of issue or exchange.
9 Represents an additional $100,131,000 on each of ten series of outstanding Treasury bills issued in a strip to mature each week from Jan. 17 to Mar. 21, 1963.

TABLE 43.—*Allotments by investor classes on subscriptions for public marketable securities other than regular weekly Treasury bills, fiscal year 1963* [1]

[In millions of dollars. On basis of subscription and allotment reports]

Issue				Allotments by investor classes										
Date of financing	Description of security	Amount issued		U.S. Government investment accounts and Federal Reserve Banks	Commercial banks [2]	Individuals [3]	Insurance companies	Mutual savings banks	Corporations [4]	Private pension and retirement funds	State and local governments [5]		Dealers and brokers	All other [6]
		For cash	In exchange for other securities								Pension and retirement funds	Other funds		
1962														
July 15	3.257% bill, July 15, 1963	[7] 2,004	----------	44	952	23	1	8	242	1	(*)	210	379	144
Aug. 15	3½% certificate, Aug. 15, 1963–C [8]	3,070	3,782	3,804	1,080	67	95	66	358	27	31	663	231	430
	4% bond, Feb. 15, 1969 [8]	1,836	8	100	1,291	63	17	66	47	16	3	21	89	131
	4¼% bond, Aug. 15, 1987–92 [8]	360	5	50	115	3	76	10	3	6	38	5	37	22
Sept. 15	3¾% note, Aug. 15, 1967–A	--------	5,282	21	3,585	62	123	63	151	28	3	129	629	488
	4% bond, Aug. 15, 1972	--------	2,579	320	1,146	51	63	86	34	29	41	93	565	151
Oct. 3	2.616% bill, Mar. 22, 1963 [9]	3,005	----------	----------	2,975	10	1	--------	11	(*)	----------	1	--------	7
Oct. 15	2.969% bill, Oct. 15, 1963	[7] 2,500	----------	280	1,209	10	4	5	180	(*)	(*)	46	574	192
Nov. 15	3⅛% certificate, Nov. 15, 1963–D	--------	4,856	3,796	431	74	48	8	214	15	1	111	31	127
	3½% note, Nov. 15, 1965–B	--------	3,286	1	2,238	63	125	18	207	12	(*)	196	178	248
	4% bond, Feb. 15, 1972	--------	2,344	6	1,504	45	48	51	33	9	32	53	443	120
	2.866% bill, {Jan. 17, 1963 / Mar. 21, 1963} [10]	1,001	----------	----------	575	(*)	--------	--------	6	----------	----------	(*)	414	6
Dec. 15	3⅞% bond, Nov. 15, 1971 [11]	--------	41	(*)	2	18	2	(*)	5	2	2	3	--------	7
	4% bond, Feb. 15, 1980 [11]	--------	34	(*)	1	14	2	(*)	4	1	3	2	--------	7
1963														
Jan. 15	3.015% bill, Jan. 15, 1964	[7] 2,496	----------	62	1,331	21	18	11	237	4	(*)	51	516	245
Jan. 17	4% bond, Feb. 15, 1988–93	[12] 250	----------	----------	50	10	52	17	5	9	47	7	37	16
Feb. 6	2.929% bill, June 24, 1963 [9]	1,001	----------	----------	416	8	3	(*)	319	----------	----------	5	245	5
Feb. 15	3¼% certificate, Feb. 15, 1964–A	--------	6,741	3,923	1,512	118	79	26	510	45	(*)	259	63	206
	3¾% bond, Aug. 15, 1968 [11]	--------	2,490	15	1,635	26	45	18	71	7	2	47	523	101
Mar. 15	3⅝% note, Feb. 15, 1967–B	--------	4,287	20	2,711	45	128	56	183	18	(*)	55	557	514
	3⅞% bond, Nov. 15, 1971 [11]	--------	1,515	30	923	34	55	12	21	12	2	16	366	44
	3⅞% bond, Nov. 15, 1974 [11]	--------	1,074	152	491	24	39	10	22	29	6	38	177	86
	4% bond, Feb. 15, 1980 [11]	--------	1,131	124	278	30	16	21	11	9	98	34	467	43
Mar. 22	2.855% bill, June 24, 1963 [9] [11]	1,502	----------	----------	714	1	3	--------	284	----------	----------	1	489	10
Apr. 15	3.062% bill, Apr. 15, 1964	[7] 2,501	----------	112	1,192	29	2	6	247	1	(*)	77	628	207
Apr. 18	4⅛% bond, May 15, 1989–94	[12] 300	----------	----------	166	3	8	5	2	11	34	5	56	10
May 15	3¼% certificate, May 15, 1964–B	--------	5,693	3,327	1,327	123	34	26	295	25	(*)	276	48	212
	3⅝% note, Feb. 15, 1966–B [11]	--------	3,273	85	2,033	50	77	19	117	8	(*)	157	411	316
June 20	4% bond, Aug. 15, 1970	1,906	----------	----------	886	353	62	73	88	39	15	24	116	250

*Less than $500,000.

[1] Excludes 1½ percent Treasury EA and EO notes issued in exchange for nonmarketable 2¾ percent Treasury Bonds, Investment Series B-1975-80.

[2] Includes trust companies and stock savings banks.

[3] Includes partnerships and personal trust accounts.

[4] Exclusive of banks and insurance companies.

[5] Consists of trusts, sinking, and investment funds of State and local governments and their agencies.

[6] Includes savings and loan associations, nonprofit institutions, and investments of foreign balances and international accounts in this country.

[7] Issued as a rollover of one-year bills.

[8] Offerings of these securities, subject to allotments, were made for the purpose of paying off maturing securities in cash. Holders of the maturing securities were not offered reemptive rights to exchange their holdings but were permitted to present them in payment or exchange, in whole or in part, for the new issues.

[9] Tax anticipation security.

[10] Offering consisted of an additional $100 million each of ten series of outstanding weekly bills issued in a strip on Nov. 15, 1962.

[11] Reopening of earlier issue.

[12] Sold at competitive bidding with allotment distribution based on sales reported by syndicate members.

NOTE.—Allotments from July 15, 1953, through May 15, 1959, will be found in the 1959 annual report, pp. 528-530. For the fiscal year 1960, see 1960 annual report, p. 573, for fiscal 1961, see 1961 annual report, p. 604, for fiscal 1962, see 1962 annual report, p. 722, and for current figures see monthly *Treasury Bulletin*.

TABLE 44.—*Statutory debt retirements, fiscal years 1918–63*

[In thousands of dollars. On basis of par amounts and of daily Treasury statements through 1947, and on basis of Public Debt accounts thereafter, see "Bases of Tables"]

Fiscal year	Cumulative sinking fund	Repayments of foreign debt	Bonds and notes received for estate taxes	Bonds received for loans from Public Works Administration	Franchise tax receipts, Federal Reserve Banks	Payments from net earnings, Federal intermediate credit banks	Commodity Credit Corporation capital repayments	Miscellaneous gifts, forfeitures, etc.	Total
1918					1,134				1,134
1919		7,922	93						8,015
1920		72,670	3,141		2,922			13	78,746
1921	261,100	73,939	26,349		60,724			[1] 5,010	427,123
1922	276,046	64,838	21,085		60,333			393	422,695
1923	284,019	100,893	6,569		10,815			555	402,850
1924	295,987	149,388	8,897		3,635			93	458,000
1925	306,309	159,179	47		114	680		208	466,538
1926	317,092	169,654			59	509		63	487,376
1927	333,528	179,216			818	414		5,578	519,555
1928	354,741	181,804	2		250	369		3,090	540,255
1929	370,277	176,213	20		2,667	266		160	549,604
1930	388,369	160,926	73		4,283	172		61	553,884
1931	391,660	48,246			18	74		85	440,082
1932	412,555		1			21		53	412,630
1933	425,660	33,887			2,037			21	461,605
1934	359,492	357						15	359,864
1935	573,001		1					556	573,558
1936	403,238							1	403,240
1937	103,815	142						14	103,971
1938	65,116	210						139	65,465
1939	48,518	120		8,095		1,501		12	58,246
1940	128,349			134		685		16	129,184
1941	37,011			1,321		548	25,364	16	64,260
1942	75,342			668		315	18,393	5	94,722
1943	3,460							4	3,463
1944	−1							3	2
1945								2	2
1946								4	4
1947								(2)	
1948	746,636			8,028		1,634	45,509	[3] 209,828	1,011,636
1949	7,498					178		[3] 81	7,758
1950	1,815					261	48,943	[3] 690	51,709
1951	839					394			1,232
1952	551					300			851
1953	241					285			526
1954						387			387
1955						231			231
1956	762,627					462			763,089
1957						139			139
1958									
1959	−57								−57
1960									
1961	1,000,000								1,000,000
1962								[4] 1,000	1,000
1963								[5] 58,000	58,000
Total	8,734,833	1,579,605	66,278	18,246	149,809	9,825	138,209	285,769	10,982,575

[1] Includes $4,842,066.45 written off the debt Dec. 31, 1920, for fractional currency estimated to have been lost or destroyed in circulation.

[2] Beginning with 1947, bonds acquired through gifts, forfeitures, and estate taxes are redeemed prior to maturity from regular public debt receipts.

[3] Represents payments from net earnings, War Damage Corporation.

[4] Represents Treasury notes of 1890 determined by the Secretary of the Treasury on Oct. 20, 1961, pursuant to the Old Series Currency Adjustment Act approved June 30, 1961 (31 U.S.C. 912–916) to have been destroyed or irretrievably lost and so will never be presented for redemption.

[5] Represents $15,000,000 national bank notes, $1,000,000 Federal Reserve Bank notes, and $15,000,000 silver certificates, all issued prior to July 1, 1929; $18,000,000 Federal Reserve notes issued prior to the series of 1928; $9,000,000 gold certificates issued prior to Jan. 30, 1934; all of which have been determined to have been destroyed or irretrievably lost and so will never be presented for redemption pursuant to 31 U.S.C. 912–916.

TABLE 45.—*Cumulative sinking fund, fiscal years 1921–63*

PART I—APPROPRIATIONS AND EXPENDITURES

[In millions of dollars. On basis of Public Debt accounts, see "Bases of Tables"]

Fiscal year	Appropriations	Available for expenditure during year [1]	Debt retired [2]	
			Par amount	Cost (principal)
1921–1940	8,208.6	2,117.3	6,099.0	6,091.3
1941	585.8	2,703.2	37.0	37.0
1942	586.9	3,253.1	75.3	75.3
1943	587.8	3,765.6	3.4	3.4
1944	587.6	4,349.7		
1945	587.6	4,937.4		
1946	587.6	5,525.0		
1947	587.6	6,112.6		
1948	603.5	6,716.0	746.6	746.6
1949	619.6	6,589.0	7.5	7.5
1950	619.7	7,201.2	1.8	1.8
1951	619.8	7,819.2	.8	.8
1952	619.8	8,438.1	.6	.6
1953	619.8	9,057.4	.2	.2
1954	619.8	9,676.9		
1955	619.8	10,296.7		
1956	623.8	10,920.5	762.6	762.6
1957	633.3	10,791.2		
1958	633.3	11,424.5		
1959	633.3	12,057.9		
1960	633.3	12,691.3		
1961	657.1	13,348.4	1,000.0	1,000.0
1962	680.8	13,029.3		
1963	680.8	13,710.1		
Total	22,437.1		8,734.8	8,727.1
Deduct cumulative expenditures	8,727.1			
Unexpended balance	13,710.1			

PART II.—TRANSACTIONS ON ACCOUNT OF THE CUMULATIVE SINKING FUND, FISCAL YEAR 1963

[On basis of Public Debt accounts, see "Bases of Tables"]

Unexpended balance July 1, 1962		$13,029,263,804.37
Appropriation for 1963:		
Initial credit:		
(a) Under the Victory Loan Act (2½ percent of the aggregate amount of Liberty bonds and Victory notes outstanding on July 1, 1920, less an amount equal to the par amount of any obligation of foreign governments held by the United States on July 1, 1920)	$253,404,864.87	
(b) Under the Emergency Relief and Construction Act of 1932 (2½ percent of the aggregate amount of expenditures from appropriations made or authorized under this act)	7,860,606.83	
(c) Under the National Industrial Recovery Act (2½ percent of the aggregate amount of expenditures from appropriations made or authorized under this act)	80,164,079.53	
Total initial credit	341,429,551.23	
Secondary credit (the interest which would have been payable during the fiscal year for which the appropriation is made on the bonds and notes purchased, redeemed, or paid out of the sinking fund during such year or in previous years)	339,419,534.24	680,849,085.47
Total available 1963		13,710,112,889.84
Unexpended balance June 30, 1963 [2]		13,710,112,889.84

[1] Represents appropriations authorized by Congress. There are no specific funds set aside for this account since any retirements of public debt charged to this account are made from cash balances to the credit of the Treasurer of the United States.

[2] Net discount on debt retired through June 30, 1963 is $7.7 million.

NOTE.—Comparable annual data for 1921 through 1940 are shown in the 1962 annual report, p. 726.

III.—United States savings bonds

TABLE 46.—*Sales and redemptions of Series E through K savings bonds by series, fiscal years 1941–63 and monthly 1963* [1, 2]

[In millions of dollars]

Fiscal year or month	Sales	Accrued discount	Sales plus accrued discount	Redemptions			Amount outstanding	
				Total	Original purchase price	Accrued discount	Interest-bearing	Matured noninterest-bearing
				Series E and H				
1941–55	79,203.6	9,183.8	88,387.4	49,102.2	45,969.3	3,132.9	39,285.1	....
1956	5,259.9	1,114.1	6,374.0	4,730.1	4,069.1	660.9	40,929.1	....
1957	4,613.0	1,132.6	5,745.5	5,176.2	4,444.0	732.2	41,498.5	....
1958	4,670.1	1,160.7	5,830.8	5,187.1	4,431.9	755.3	42,142.2	....
1959	4,506.0	1,174.5	5,680.4	5,106.8	4,309.8	797.0	42,715.8	....
1960	4,307.0	1,194.2	5,501.2	5,502.2	4,616.3	885.9	42,714.8	....
1961	4,463.7	1,253.7	5,717.4	4,626.7	3,905.8	720.8	43,805.6	....
1962	4,421.5	1,331.0	5,752.5	4,603.3	3,872.7	730.6	44,954.8	....
1963	4,518.0	1,386.5	5,904.5	4,500.5	3,758.5	742.0	46,358.8	....
Total through June 30, 1963	115,962.8	18,931.0	134,893.8	88,535.0	79,377.5	9,157.6	46,358.8	....
1962—July	358.1	133.9	492.0	397.6	330.3	67.2	45,049.2	....
August	360.4	106.0	466.4	385.7	322.6	63.1	45,129.9	....
September	300.7	113.1	413.8	360.2	302.2	58.0	45,183.6	....
October	359.6	106.9	466.5	366.2	305.7	60.5	45,283.8	....
November	327.1	107.3	434.4	335.4	281.6	53.8	45,382.8	....
December	295.2	128.8	424.0	307.6	259.2	48.4	45,499.2	....
1963—January	525.3	136.0	661.3	481.1	391.3	89.8	45,679.4	....
February	424.8	108.4	533.2	353.1	292.9	60.1	45,859.5	....
March	396.7	110.2	506.9	364.2	307.0	57.2	46,002.2	....
April	413.6	105.8	519.4	409.2	344.2	65.0	46,112.4	....
May	409.9	106.1	516.0	375.1	315.4	59.7	46,253.2	....
June	346.7	123.9	470.6	365.0	306.0	59.1	46,358.8	....
				Series F, G, J, and K				
1941–55	31,096.5	836.9	31,933.3	12,634.4	12,298.8	335.6	19,080.3	218.7
1956	586.3	99.6	686.0	3,104.8	2,940.6	164.2	16,567.6	312.4
1957	268.4	83.4	351.8	3,773.5	3,605.0	168.5	13,123.5	334.8
1958	(*)	65.2	65.2	3,350.5	3,234.6	115.9	9,842.2	331.0
1959	(*)	53.6	53.6	2,137.2	2,063.4	73.8	7,786.7	302.8
1960	(*)	46.0	46.0	3,049.3	2,921.2	128.1	4,829.0	257.3
1961	(*)	32.1	32.1	1,188.0	1,128.8	59.1	3,708.7	221.6
1962	....	27.4	27.4	1,109.9	1,059.0	50.9	2,651.9	195.8
1963	....	21.6	21.6	770.7	721.7	49.0	1,954.9	143.7
Total through June 30, 1963	31,951.2	1,265.8	33,217.0	31,118.3	29,973.2	1,145.1	1,954.9	143.7
1962—July	....	2.2	2.2	55.2	52.9	2.4	2,604.2	190.4
August	....	1.7	1.7	43.6	41.4	2.2	2,567.0	185.8
September	....	1.7	1.7	41.5	39.1	2.4	2,533.8	179.1
October	....	2.3	2.3	147.6	136.0	11.5	2,395.8	172.0
November	....	1.7	1.7	66.8	61.5	5.3	2,337.6	165.1
December	....	2.1	2.1	152.5	144.2	8.3	2,036.1	316.2
1963—January	....	2.1	2.1	76.9	71.1	5.8	2,062.2	215.3
February	....	1.6	1.6	44.8	42.0	2.8	2,033.4	200.9
March	....	1.7	1.7	40.3	37.8	2.5	2,018.6	177.1
April	....	1.4	1.4	37.1	35.1	2.0	2,000.8	159.2
May	....	1.4	1.4	32.9	30.8	2.0	1,977.7	150.8
June	....	1.7	1.7	31.6	29.9	1.7	1,954.9	143.7

Footnotes at end of table.

TABLE 46.—*Sales and redemptions of Series E through K savings bonds by series, fiscal years 1941–63 and monthly 1963* [1 2]—Continued

[In millions of dollars]

Fiscal year or month	Sales	Accrued discount	Sales plus accrued discount	Redemptions			Exchanges of E bonds for H bonds	Amount outstanding (interest-bearing)
				Total	Original purchase price	Accrued discount		
Series E								
1941–55	77,018.7	9,183.8	86,202.5	49,016.1	45,883.2	3,132.9	----------	37,186.4
1956	4,219.3	1,114.1	5,333.4	4,622.0	3,961.0	660.9	----------	37,897.8
1957	3,919.2	1,132.6	5,051.8	4,980.6	4,248.5	732.2	----------	37,969.0
1958	3,888.6	1,160.7	5,049.3	4,951.0	4,195.8	755.3	----------	38,067.2
1959	3,688.0	1,174.5	4,862.5	4,889.4	4,092.4	797.0	----------	38,040.3
1960	3,603.2	1,194.2	4,797.4	5,180.6	4,294.7	885.9	201.3	37,455.7
1961	3,689.2	1,253.7	4,942.9	4,393.8	3,672.9	720.8	188.3	37,816.6
1962	3,674.3	1,331.0	5,005.3	4,343.3	3,612.6	730.6	218.6	38,260.1
1963	3,914.0	1,386.5	5,300.4	4,202.9	3,461.0	742.0	191.3	39,166.2
Total through June 30, 1963	107,614.5	18,931.0	126,545.4	86,579.7	77,422.1	9,157.6	799.5	39,166.2
1962—July	296.4	133.9	430.3	371.4	304.2	67.2	17.2	38,301.7
August	311.3	106.0	417.3	360.7	297.6	63.1	14.4	38,344.0
September	261.5	113.1	374.6	333.5	275.5	58.0	12.0	38,373.0
October	311.5	106.9	418.4	342.0	281.5	60.5	13.5	38,435.8
November	282.3	107.3	389.6	312.8	259.0	53.8	12.8	38,499.8
December	253.8	128.8	382.7	284.5	236.2	48.4	11.0	38,587.0
1963—January	440.0	136.0	576.0	458.2	368.4	89.8	24.4	38,680.4
February	371.5	108.4	479.9	332.2	272.1	60.1	16.2	38,811.9
March	347.3	110.2	457.5	336.6	279.4	57.2	17.3	38,915.6
April	365.5	105.8	471.2	384.5	319.5	65.0	19.1	38,983.2
May	366.6	106.1	472.7	349.0	289.3	59.7	17.5	39,089.4
June	306.3	123.9	430.2	337.5	278.4	59.1	15.9	39,166.2
Series H								
1952–55	2,184.9	----------	2,184.9	86.1	86.1	----------	----------	2,098.7
1956	1,040.6	----------	1,040.6	108.1	108.1	----------	----------	3,031.2
1957	693.8	----------	693.8	195.5	195.5	----------	----------	3,529.5
1958	781.6	----------	781.6	236.1	236.1	----------	----------	4,075.0
1959	818.0	----------	818.0	217.4	217.4	----------	----------	4,675.5
1960	703.9	----------	703.9	321.6	321.6	----------	201.3	5,259.1
1961	774.5	----------	774.5	232.9	232.9	----------	188.3	5,989.0
1962	747.2	----------	747.2	260.1	260.1	----------	218.6	6,694.7
1963	604.1	----------	604.1	297.5	297.5	----------	191.3	7,192.5
Total through June 30, 1963	8,348.4	----------	8,348.4	1,955.4	1,955.4	----------	799.5	7,192.5
1962—July	61.7	----------	61.7	26.2	26.2	----------	17.2	6,747.5
August	49.1	----------	49.1	25.0	25.0	----------	14.4	6,786.0
September	39.2	----------	39.2	26.7	26.7	----------	12.0	6,810.6
October	48.1	----------	48.1	24.2	24.2	----------	13.5	6,848.0
November	44.8	----------	44.8	22.6	22.6	----------	12.8	6,883.0
December	41.3	----------	41.3	23.1	23.1	----------	11.0	6,912.2
1963—January	85.3	----------	85.3	22.9	22.9	----------	24.4	6,999.0
February	53.3	----------	53.3	20.9	20.9	----------	16.2	7,047.6
March	49.4	----------	49.4	27.7	27.7	----------	17.3	7,086.6
April	48.1	----------	48.1	24.7	24.7	----------	19.1	7,129.2
May	43.3	----------	43.3	26.1	26.1	----------	17.5	7,163.8
June	40.4	----------	40.4	27.6	27.6	----------	15.9	7,192.5

Footnotes at end of table.

TABLE 46.—*Sales and redemptions of Series E through K savings bonds by series, fiscal years 1941–63 and monthly 1963* [1 2]—Continued

[In millions of dollars]

Fiscal year or month	Sales	Accrued discount	Sales plus accrued discount	Redemptions: Total	Redemptions: Original purchase price	Redemptions: Accrued discount	Amount outstanding: Interest-bearing	Amount outstanding: Matured non-interest-bearing
				Series F				
1941–55	4,957.6	826.9	5,784.5	2,800.0	2,464.8	335.1	2,876.9	107.6
1956	(*)	87.7	87.7	665.3	502.3	163.0	2,249.9	157.1
1957	(*)	67.5	67.5	709.3	544.8	164.6	1,598.3	166.8
1958	(*)	47.1	47.1	487.9	377.6	110.3	1,169.1	155.3
1959	(*)	35.7	35.7	285.2	215.3	69.9	943.9	131.0
1960	(*)	27.8	27.8	483.5	370.3	113.1	508.2	111.1
1961		15.4	15.4	212.3	157.9	54.4	331.2	91.2
1962		10.6	10.6	177.9	132.5	45.4	182.9	72.1
1963		5.0	5.0	167.4	124.3	43.1	57.8	34.9
Total through June 30, 1963	4,957.7	1,123.7	6,081.4	5,988.7	4,889.9	1,098.8	57.8	34.9
1962—July		0.5	0.5	7.5	5.6	1.9	177.8	70.3
August		.4	.4	6.9	5.1	1.8	172.8	68.8
September		.3	.3	7.6	5.6	2.0	167.8	66.6
October		1.1	1.1	43.1	32.2	11.0	128.4	63.9
November		.4	.4	18.3	13.6	4.7	113.9	60.4
December		.5	.5	30.2	22.4	7.8	48.2	96.6
1963—January		.5	.5	19.5	14.5	5.1	61.5	64.1
February		.3	.3	9.6	7.1	2.5	58.7	57.6
March		.4	.4	7.5	5.6	1.9	62.8	46.4
April		.2	.2	6.3	4.7	1.6	63.1	40.0
May		.1	.1	6.0	4.4	1.5	59.8	37.4
June		.2	.2	4.8	3.5	1.2	57.8	34.9
				Series G				
1941–55	23,437.9		23,437.9	9,743.5	9,743.5		13,583.3	111.1
1956				2,300.5	2,300.5		11,238.5	155.4
1957				2,719.5	2,719.5		8,506.3	168.0
1958				2,506.5	2,506.5		5,992.1	175.7
1959				1,668.6	1,668.6		4,327.4	171.8
1960				2,055.9	2,055.9		2,297.2	146.2
1961				843.9	843.9		1,469.0	130.5
1962				805.4	805.4		670.4	123.7
1963				496.6	496.6		188.7	108.8
Total through June 30, 1963	23,437.9		23,437.9	23,140.4	23,140.4		188.7	108.8
1962—July				35.4	35.4		638.5	120.1
August				27.3	27.3		614.3	117.0
September				25.4	25.4		593.3	112.5
October				94.8	94.8		503.0	108.0
November				40.8	40.8		465.6	104.7
December				113.5	113.5		237.1	219.6
1963—January				47.9	47.9		257.6	151.2
February				28.2	28.2		237.3	143.3
March				24.9	24.9		225.1	130.6
April				21.6	21.6		215.0	119.2
May				19.1	19.1		201.7	113.4
June				17.6	17.6		188.7	108.8

Footnotes at end of table.

TABLE 46.—*Sales and redemptions of Series E through K savings bonds by series, fiscal years 1941–63 and monthly 1963* [1] [2]—Continued

[In millions of dollars]

Fiscal year or month	Sales	Accrued discount	Sales plus accrued discount	Redemptions: Total	Redemptions: Original purchase price	Redemptions: Accrued discount	Amount outstanding (interest-bearing)
			Series J				
1952–55	696.8	10.0	706.8	33.7	33.2	.5	673.1
1956	183.2	11.9	195.2	59.6	58.4	1.3	808.6
1957	92.4	15.9	108.3	106.5	102.5	3.9	810.4
1958	(*)	18.1	18.1	98.4	92.8	5.6	730.2
1959	(*)	17.8	17.8	51.2	47.3	3.9	696.9
1960		18.2	18.2	144.2	129.2	15.0	570.8
1961	(*)	16.7	16.7	39.1	34.4	4.8	548.4
1962		16.8	16.8	37.2	31.7	5.5	527.9
1963		16.6	16.6	33.2	27.4	5.9	511.3
Total through June 30, 1963	972.4	142.1	1,114.5	603.2	556.9	46.3	511.3
1962—July		1.6	1.6	2.6	2.2	0.4	526.9
August		1.3	1.3	2.5	2.1	.4	525.7
September		1.3	1.3	2.6	2.2	.4	524.4
October		1.2	1.2	3.2	2.7	.6	522.4
November		1.3	1.3	3.1	2.5	.6	520.7
December		1.5	1.5	2.8	2.3	.5	519.4
1963—January		1.6	1.6	4.0	3.3	.7	517.0
February		1.3	1.3	1.9	1.6	.3	516.4
March		1.3	1.3	3.2	2.6	.6	514.5
April		1.2	1.2	2.0	1.7	.3	513.8
May		1.3	1.3	2.6	2.1	.5	512.4
June		1.5	1.5	2.7	2.2	.5	511.3
			Series K				
1952–55	2,004.2		2,004.2	57.2	57.2		1,947.0
1956	403.1		403.1	79.5	79.5		2,270.6
1957	176.0		176.0	238.2	238.2		2,208.5
1958	(*)		(*)	257.7	257.7		1,950.7
1959	(*)		(*)	132.2	132.2		1,818.6
1960				365.8	365.8		1,452.8
1961				92.7	92.7		1,360.1
1962				89.4	89.4		1,270.7
1963				73.5	73.5		1,197.2
Total through June 30, 1963	2,583.3		2,583.3	1,386.0	1,386.0		1,197.2
1962—July				9.6	9.6		1,261.1
August				6.9	6.9		1,254.2
September				5.9	5.9		1,248.3
October				6.4	6.4		1,241.9
November				4.5	4.5		1,237.4
December				5.9	5.9		1,231.5
1963—January				5.4	5.4		1,226.1
February				5.1	5.1		1,220.9
March				4.8	4.8		1,216.2
April				7.2	7.2		1,209.0
May				5.2	5.2		1,203.8
June				6.6	6.6		1,197.2

*Less than $50,000.

[1] Sales and redemption figures include exchanges of minor amounts of matured Series E for Series G and K bonds from May 1951 through April 1957, and Series F and J for Series H bonds beginning January 1960; they exclude exchanges of Series E for Series H bonds. Redemption figures for fiscal 1953–54 and fiscal years 1960–63 also include the maturing Series F and G savings bonds exchanged for marketable Treasury securities during special exchange offerings. The amounts involved were $416.6 million in 1953, $.7 million in 1954, $745.4 million in 1960, $147.3 million in 1961, $320.1 million in 1962, and $75.2 million in 1963.

[2] Sales of Series E, F, and J bonds are included at issue price, and their redemptions and amounts outstanding at current redemption value. Series G, H, and K bonds are included at face value throughout. Matured F and G bonds outstanding are included in the interest-bearing debt until all bonds of the annual series have matured, and are then transferred to matured debt on which interest has ceased.

NOTE.—Series E and H are the only savings bonds now being sold. Series A–D, sold from Mar. 1, 1935, through Apr. 30, 1941, have all matured and are no longer reflected in these tables. Series F and G were sold from May 1, 1941, through Apr. 30, 1952. Series J and K were sold from May 1, 1952, through Apr. 30, 1957. Sales figures for Series F, G, J, and K after fiscal 1957, represent adjustments. Details by months for Series E, F, and G bonds from May 1941 will be found on p. 608 of the 1943 annual report, and in corresponding tables in subsequent reports. Monthly detail for Series H, J, and K bonds will be found in the 1952 annual report, pp. 629 and 630, and in corresponding tables in subsequent reports.

TABLE 47.—*Sales and redemptions of Series E and H savings bonds by denominations, fiscal years 1941–63 and monthly 1963* [1]

[In thousands of pieces. Estimated on basis of daily Treasury statements and reports from Bureau of the Public Debt]

Fiscal year or month	Total, all denominations [2]	$25	$50	$100	[3] $200	$500	$1,000	$5,000	[4 5] $10,000
					Sales [6]				
1941–55	1,696,608	1,155,275	267,768	189,789	8,798	26,230	27,519	106	48
1956	90,053	56,719	18,784	10,090	929	1,608	1,854	48	21
1957	90,160	56,327	20,256	9,969	851	1,320	1,396	29	12
1958	r 89,431	54,908	21,043	9,824	893	r 1,304	r 1,413	r 33	14
1959	85,882	52,895	20,108	9,477	798	1,212	1,340	35	16
1960	85,607	52,972	20,220	9,208	774	1,165	1,230	27	11
1961	86,495	53,453	20,434	9,273	789	1,201	1,299	31	15
1962	86,479	53,010	20,901	9,286	813	1,186	1,237	30	16
1963	89,627	54,629	21,903	9,623	928	1,233	1,270	25	16
1962—July	6,970	4,221	1,734	748	66	96	101	3	1
August	7,300	4,423	1,817	795	70	96	97	2	1
September	6,576	4,096	1,609	672	56	71	69	1	1
October	8,034	4,980	1,994	824	68	85	81	2	1
November	6,816	4,142	1,710	730	65	85	82	2	1
December	6,432	4,044	1,542	644	56	72	71	2	1
1963—January	9,061	5,459	2,164	991	102	160	180	4	3
February	7,685	4,619	1,853	849	86	129	145	2	2
March	8,003	4,926	1,914	857	83	108	111	2	1
April	7,721	4,598	1,891	878	97	124	129	2	2
May	7,930	4,848	1,907	847	96	113	116	2	2
June	7,100	4,272	1,769	789	84	95	89	2	1
					Redemptions [6]				
1941–55	1,229,060	892,320	182,015	109,032	3,061	12,605	11,839	4	2
1956	89,953	60,014	r 16,503	9,925	537	1,255	1,281	5	3
1957	93,175	60,612	18,165	10,590	633	1,354	1,485	9	6
1958	93,452	59,880	19,467	10,433	639	1,320	1,464	11	6
1959	88,647	56,036	18,598	10,394	675	1,301	1,451	9	5
1960	90,748	56,796	19,507	10,634	725	1,351	1,567	15	8
1961	85,077	54,280	18,654	9,197	616	1,076	1,139	10	4
1962	83,804	52,958	18,746	9,150	653	1,077	1,126	10	5
1963	83,469	53,018	19,022	8,715	601	1,005	1,028	12	5
1962—July	7,076	4,455	1,601	771	53	93	96	1	(*)
August	7,233	4,622	1,619	759	52	87	86	1	(*)
September	6,655	4,180	1,549	699	48	82	82	1	(*)
October	6,838	4,332	1,571	715	50	82	81	1	(*)
November	6,479	4,158	1,474	654	43	72	72	1	(*)
December	5,985	3,889	1,341	580	38	65	68	1	(*)
—January	8,172	5,099	1,855	909	65	112	123	1	1
February	6,615	4,269	1,470	665	47	77	81	1	(*)
March	6,837	4,341	1,577	701	48	81	82	1	(*)
April	7,743	4,877	1,806	817	55	90	91	1	(*)
May	7,082	4,514	1,610	734	51	83	84	1	(*)
June	6,753	4,274	1,551	709	50	81	83	1	(*)

*Less than 500 pieces.

r Revised.

1 Sales of Series H began on June 1, 1952; the denominations authorized were $500, $1,000, $5,000, and $10,000.

2 Total includes $10 denomination Series E bonds sold to Armed Forces only from June 1944 through March 1950. Details by years will be found in the 1952 annual report, pp. 631, 633. Thereafter monthly detail for each fiscal year appears in a footnote to the redemptions by denominations table of successive annual reports. Details in thousands of pieces by months for the fiscal year 1963 follow:

Fiscal year	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	Total
1963	6	6	6	5	4	4	7	5	5	5	5	4	62

3 Sale of $200 denomination Series E bonds began in October 1945.

4 Sale of $10,000 denomination Series E bonds was authorized on May 1, 1952.

5 Includes sales of $100,000 denomination Series E bonds which are purchasable only by trustees of employees' savings plans beginning April 1954, and personal trust accounts beginning January 1955.

6 See table 46, footnote 1

TABLE 48.—*Sales of Series E and H savings bonds by States, fiscal years 1962, 1963, and cumulative* [1]

[In thousands of dollars, at issue price. On basis of reports received by the Treasury Department, with totals adjusted to basis of daily Treasury statements]

State	Fiscal year 1962	Fiscal year 1963	May 1941–June 1963
Alabama	38,336	36,408	1,121,792
Alaska	4,153	3,813	[2] 51,301
Arizona	18,676	18,062	422,068
Arkansas	19,280	17,369	667,507
California	274,515	286,626	7,916,147
Colorado	32,633	30,442	875,626
Connecticut	68,642	72,903	1,797,083
Delaware	17,301	18,395	305,977
District of Columbia	37,680	39,373	1,212,773
Florida	74,884	76,408	1,495,052
Georgia	40,221	40,042	1,249,510
Hawaii	9,986	10,526	435,377
Idaho	7,249	6,374	282,924
Illinois	332,851	328,655	9,346,857
Indiana	126,266	131,976	3,251,990
Iowa	118,009	109,307	3,195,605
Kansas	71,636	64,619	1,885,802
Kentucky	53,253	50,636	1,277,845
Louisiana	34,674	35,219	1,102,235
Maine	14,418	14,625	436,523
Maryland	62,314	64,414	1,441,685
Massachusetts	107,799	121,890	3,234,461
Michigan	238,795	242,017	6,353,174
Minnesota	64,083	56,731	2,177,690
Mississippi	16,387	13,693	647,848
Missouri	130,080	130,483	3,239,269
Montana	17,087	15,539	569,653
Nebraska	80,464	78,240	1,844,761
Nevada	5,846	6,398	138,204
New Hampshire	9,261	9,926	268,536
New Jersey	174,434	181,023	4,314,463
New Mexico	12,474	11,449	280,835
New York	473,573	535,456	12,878,469
North Carolina	44,375	42,444	1,285,584
North Dakota	17,524	16,549	572,861
Ohio	271,311	274,522	7,199,099
Oklahoma	54,922	49,603	1,420,270
Oregon	30,337	29,857	1,099,840
Pennsylvania	414,749	452,123	9,542,515
Rhode Island	13,497	16,916	506,418
South Carolina	22,045	21,918	655,506
South Dakota	24,024	20,865	695,017
Tennessee	35,288	34,950	1,185,058
Texas	135,368	123,876	4,066,114
Utah	17,129	17,543	447,777
Vermont	4,625	4,695	146,418
Virginia	74,085	74,217	1,893,893
Washington	55,462	56,471	1,879,094
West Virginia	48,157	49,901	1,170,070
Wisconsin	90,447	82,220	2,593,322
Wyoming	7,050	6,402	222,555
Canal Zone	2,521	2,936	68,952
Puerto Rico	1,674	2,444	63,023
Virgin Islands	121	220	3,255
Undistributed and adjustment to daily Treasury statement	+269,519	+278,326	[3] +3,527,157
Total	4,421,490	4,518,035	115,962,840

[1] Figures include exchanges of minor amounts of Series F and J bonds for Series H bonds beginning January 1960; however, they exclude exchanges of Series E bonds for Series H bonds, which are reported in table 46.

[2] Excludes data for period April 1947 through December 1956, when reports were not available. In the annual reports for 1952–58 data for period May 1941 through March 1947 were included with "Other possessions."

[3] Includes a small amount for other possessions.

NOTE.—Sales by States of the various series of savings bonds were published in the annual report for 1943, pp. 614–621, and in subsequent reports; and by months at intervals in the *Treasury Bulletin*, beginning with the issue of July 1946. Since Apr. 30, 1953, figures for sales of Series E and H bonds only have been available by States.

IV.—Interest

TABLE 49.—*Amount of interest-bearing public debt outstanding, the computed annual interest charge, and the computed rate of interest, June 30, 1939–63, and at the end of each month during 1963*

[On basis of daily Treasury statements, see "Bases of Tables"]

End of fiscal year or month	Interest-bearing debt [1]	Computed annual interest charge [2]	Computed rate of interest [2]
			Percent
1939	$39,885,969,732	$1,036,937,397	2.600
1940	42,376,495,928	1,094,619,914	2.583
1941	48,387,399,539	1,218,238,845	2.518
1942	71,968,418,098	1,644,476,360	2.285
1943	135,380,305,795	2,678,779,036	1.979
1944	199,543,355,301	3,849,254,656	1.929
1945	256,356,615,818	4,963,730,414	1.936
1946	268,110,872,218	5,350,772,231	1.996
1947	255,113,412,039	5,374,409,074	2.107
1948	250,063,348,379	5,455,475,791	2.182
1949	250,761,636,723	5,605,929,714	2.236
1950	255,209,353,372	5,612,676,516	2.200
1951	252,851,765,497	5,739,615,990	2.270
1952	256,862,861,128	5,981,357,116	2.329
1953	263,946,017,740	6,430,901,316	2.438
1954	268,909,766,654	6,298,069,299	2.342
1955	271,741,267,507	6,387,225,600	2.351
1956	269,883,068,041	6,949,699,625	2.576
1957	268,485,562,677	7,325,146,596	2.730
1958	274,697,560,009	7,245,154,946	2.638
1959	281,833,362,429	8,065,917,424	2.867
1960	283,241,182,755	9,316,066,872	3.297
1961	285,671,608,619	8,761,495,974	3.072
1962	294,442,000,790	9,518,857,333	3.239
1963	301,953,730,701	10,119,294,547	3.360
1962—July	293,917,764,780	9,522,743,644	3.247
August	297,904,137,963	9,698,753,018	3.262
September	295,571,098,039	9,686,529,692	3.284
October	298,145,294,048	9,747,375,044	3.277
November	301,384,378,444	9,885,895,265	3.288
December	299,209,287,772	9,840,614,677	3.297
1963—January	299,332,279,017	9,848,894,969	3.299
February	300,570,561,699	9,906,124,673	3.304
March	298,978,241,890	9,935,087,701	3.332
April	299,188,887,522	9,957,951,623	3.337
May	301,186,134,519	10,044,384,300	3.344
June	301,953,730,701	10,119,294,547	3.360

[1] Includes from June 30, 1930, discount on Treasury bills; the current redemption value from May 1935 of savings bonds of Series A–F and J; and beginning August 1941, the face amount of Treasury tax and savings notes. The face value of matured savings bonds and notes outstanding is included until all of the annual series have matured, when they are transferred to matured debt on which interest has ceased.

[2] Comparable annual data 1916–38 are contained in 1962 annual report, p. 735. Current monthly figures are published in the *Treasury Bulletin.* Comparable monthly data 1929–36 appear in 1936 annual report, p. 442, and from 1937 in later reports. Annual interest charge monthly 1916–29 appears in 1929 annual report, p. 509.

NOTE.—The computed annual interest charge represents the amount of interest that would be paid if each interest-bearing issue outstanding at the end of the month or year should remain outstanding for a year at the applicable annual rate of interest. The charge is computed for each issue by applying the appropriate annual interest rate to the amount outstanding on that date.

Beginning Dec. 31, 1958, the computed average rate is based upon the rate of effective yield for issues sold at premiums or discounts. Before that date the computed average rate was based upon the coupon rates of the securities. That rate did not materially differ from the rate on the basis of effective yield. The "effective yield" method of computing the average interest rate on the public debt more accurately reflects the interest cost to the Treasury, and is believed to be in accord with the intent of Congress where legislation has required the use of the rate of effective yield for various purposes.

TABLE 50.—*Computed annual interest rate and computed annual interest charge on the public debt by security classes, June 30, 1939–63*

[Dollar amounts in millions. On basis of daily Treasury statements, see "Bases of Tables"]

End of fiscal year or month	Total public debt	Marketable issues					Nonmarketable issues				Special issues
		Total [1]	Bills [2]	Certificates	Notes	Treasury bonds	Total	Savings bonds [3]	Tax and savings notes	Other	
	Computed annual interest rate										
1939	2.600	2.525	0.010	----------	1.448	2.964	2.913	2.900	----------	3.000	3.091
1940	2.583	2.492	.038	----------	1.256	2.908	2.908	2.900	----------	3.000	3.026
1941	2.518	2.413	.089	----------	1.075	2.787	2.865	2.858	----------	3.000	2.904
1942	2.285	2.225	.360	0.564	1.092	2.680	2.277	2.787	0.506	2.743	2.681
1943	1.979	1.822	.380	.875	1.165	2.494	2.330	2.782	1.040	2.495	2.408
1944	1.929	1.725	.381	.875	1.281	2.379	2.417	2.788	1.080	2.314	2.405
1945	1.936	1.718	.381	.875	1.204	2.314	2.473	2.789	1.076	2.000	2.436
1946	1.996	1.773	.381	.875	1.289	2.307	2.567	2.777	1.070	2.000	2.448
1947	2.107	1.871	.382	.875	1.448	2.307	2.593	2.765	1.070	2.423	2.510
1948	2.182	1.942	1.014	1.042	1.204	2.309	2.623	2.759	1.070	2.414	2.588
1949	2.236	2.001	1.176	1.225	1.375	2.313	2.629	2.751	1.290	2.393	2.596
1950	2.200	1.958	1.187	1.163	1.344	2.322	2.569	2.748	1.383	2.407	2.589
1951	2.270	1.981	1.569	1.875	1.399	2.327	2.623	2.742	1.567	2.717	2.606
1952	2.329	2.051	1.711	1.875	1.560	2.317	2.659	2.745	1.785	2.714	2.675
1953	2.438	2.207	2.254	2.319	1.754	2.342	2.720	2.760	2.231	2.708	2.746
1954	2.342	2.043	.843	1.928	1.838	2.440	2.751	2.793	2.377	2.709	2.671
1955	2.351	2.079	1.539	1.173	1.846	2.480	2.789	2.821	2.359	2.708	2.585
1956	2.576	2.427	2.654	2.625	2.075	2.485	2.824	2.848	----------	2.713	2.705
1957	2.730	2.707	3.197	3.345	2.504	2.482	2.853	2.880	----------	2.718	2.635
1958	2.638	2.546	1.033	3.330	2.806	2.576	2.892	2.925	----------	2.718	2.630
1959	2.867	2.891	3.316	2.842	3.304	2.619	2.925	2.961	----------	2.714	2.694
1960	3.297	3.449	3.815	4.721	4.058	2.639	3.219	3.293	----------	2.715	2.772
1961	3.072	3.063	2.584	3.073	3.704	2.829	3.330	3.408	----------	2.713	2.803
1962	3.239	3.285	2.926	3.377	3.680	3.122	3.364	3.449	----------	2.670	2.891
1963	3.360	3.425	3.081	3.283	3.921	3.344	3.412	3.482	----------	2.770	3.003
1962—July	3.247	3.295	2.978	3.377	3.679	3.122	3.369	3.451	----------	2.666	2.883
August	3.262	3.315	3.005	3.418	3.730	3.148	3.373	3.453	----------	2.675	2.902
September	3.284	3.346	3.019	3.426	3.785	3.179	3.377	3.455	----------	2.680	2.901
October	3.277	3.335	2.976	3.426	3.807	3.179	3.383	3.460	----------	2.690	2.884
November	3.288	3.348	2.976	3.362	3.853	3.227	3.387	3.463	----------	2.702	2.891
December	3.297	3.357	2.989	3.362	3.852	3.241	3.395	3.470	----------	2.719	2.898
1963—January	3.299	3.357	2.992	3.362	3.851	3.243	3.396	3.471	----------	2.736	2.893
February	3.304	3.361	3.001	3.297	3.912	3.259	3.400	3.474	----------	2.745	2.911
March	3.332	3.399	3.024	3.283	3.892	3.325	3.304	3.476	----------	2.748	2.918
April	3.337	3.405	3.040	3.283	3.907	3.328	3.408	3.478	----------	2.756	2.915
May	3.344	3.409	3.051	3.283	3.922	3.328	3.409	3.480	----------	2.759	2.961
June	3.360	3.425	3.081	3.283	3.921	3.344	3.412	3.482	----------	2.770	3.003

Footnotes at end of table.

TABLE 50.—*Computed annual interest rate and computed annual interest charge on the public debt by security classes, June 30, 1939–63*—Con.

[Dollar amounts in millions]

End of fiscal year or month	Total public debt	Marketable issues: Total [1]	Marketable issues: Bills [2]	Marketable issues: Certificates	Marketable issues: Notes	Marketable issues: Treasury bonds	Nonmarketable issues: Total	Nonmarketable issues: Savings bonds [3]	Nonmarketable issues: Tax and savings notes	Nonmarketable issues: Other	Special issues
		Computed annual interest charge									
1939	$1,037	$858	(*)	----------	$105	$747	$63	$54	----------	$8	$117
1940	1,095	858	(*)	----------	80	772	92	84	----------	8	145
1941	1,218	910	$1	----------	61	842	130	123	----------	7	178
1942	1,644	1,125	9	$17	73	1,021	307	284	$15	8	211
1943	2,679	1,737	45	145	107	1,435	680	591	78	11	262
1944	3,849	2,422	56	252	223	1,885	1,084	965	103	16	344
1945	4,964	3,115	65	299	283	2,463	1,390	1,271	109	10	458
1946	5,351	3,362	65	305	235	2,753	1,442	1,362	72	9	547
1947	5,374	3,156	60	221	118	2,753	1,530	1,420	59	51	687
1948	5,455	3,113	139	235	137	2,597	1,561	1,470	47	44	782
1949	5,606	3,103	135	361	49	2,554	1,652	1,548	63	41	851
1950	5,613	3,040	160	214	274	2,387	1,735	1,581	117	37	838
1951	5,740	2,731	213	178	501	1,835	2,106	1,579	123	405	903
1952	5,981	2,879	293	533	296	1,753	2,093	1,583	118	391	1,010
1953	6,431	3,249	442	368	534	1,903	2,069	1,598	99	372	1,115
1954	6,298	3,071	164	355	588	1,962	2,099	1,622	121	357	1,128
1955	6,387	3,225	299	162	752	2,010	2,044	1,647	45	352	1,118
1956	6,950	3,758	549	428	746	2,034	1,972	1,637	----------	334	1,220
1957	7,325	4,210	743	685	776	2,005	1,881	1,573	----------	308	1,234
1958	7,245	4,242	231	1,096	573	2,341	1,787	1,520	----------	266	1,216
1959	8,066	5,133	1,046	962	902	2,221	1,728	1,496	----------	232	1,206
1960	9,316	6,317	1,249	833	2,088	2,145	1,754	1,566	----------	189	1,245
1961	8,761	5,718	937	410	2,084	2,288	1,781	1,619	----------	162	1,263
1962	9,519	6,422	1,212	457	2,408	2,344	1,798	1,642	----------	156	1,299
1963	10,119	6,944	1,433	728	2,043	2,740	1,830	1,682	----------	148	1,345
1962—July	9,523	6,466	1,257	457	2,408	2,344	1,794	1,645	----------	149	1,262
August	9,699	6,587	1,292	697	2,165	2,432	1,794	1,647	----------	147	1,318
September	9,687	6,602	1,256	612	2,198	2,537	1,792	1,649	----------	143	1,292
October	9,747	6,691	1,353	612	2,190	2,536	1,791	1,650	----------	142	1,266
November	9,886	6,814	1,403	763	2,065	2,583	1,795	1,652	----------	143	1,277
December	9,841	6,790	1,421	763	2,065	2,540	1,792	1,649	----------	142	1,259
1963—January	9,849	6,822	1,443	763	2,066	2,550	1,806	1,657	----------	149	1,221
February	9,906	6,856	1,477	782	1,954	2,643	1,813	1,664	----------	149	1,237
March	9,935	6,889	1,446	714	2,075	2,653	1,814	1,669	----------	145	1,231
April	9,958	6,930	1,480	714	2,071	2,665	1,815	1,673	----------	142	1,213
May	10,044	6,930	1,494	728	2,043	2,665	1,825	1,679	----------	146	1,290
June	10,119	6,944	1,433	728	2,043	2,740	1,830	1,682	----------	148	1,345

*Less than $500,000.

[1] Total includes Panama Canal bonds prior to 1961, postal savings bonds prior to 1956, and conversion bonds prior to 1947.

[2] Included in debt outstanding at face amount, but the annual interest charge and the annual interest rate are computed on the discount value.

[3] The annual interest charge and annual interest rate on United States savings bonds are computed on the basis of the rate to maturity applied against the amount outstanding.

NOTE.—For methods of computing annual interest rate and charge see note to table 49. See table 32 for amounts of public debt outstanding by security classes.

TABLE 51.—*Interest on the public debt by security classes, fiscal years 1959–63*

[In millions of dollars, on an accrual basis. On basis of Public Debt accounts, see "Bases of Tables"]

Class of security	1959	1960	1961	1962	1963
Public issues:					
Marketable obligations:					
Treasury bills [1]	734.2	1,572.0	1,108.7	1,149.3	1,392.4
Certificates of indebtedness	915.3	783.8	712.3	282.5	682.4
Treasury notes	741.0	1,703.4	1,951.8	2,417.9	2,127.4
Treasury bonds	2,229.1	2,223.2	2,214.1	2,216.8	2,554.1
Panama Canal bonds	1.5	1.5	1.4	(r)	----------
Total marketable obligations	4,621.1	6,283.9	5,988.3	6,066.5	6,756.3
Nonmarketable obligations:					
Depositary bonds	4.0	3.6	2.6	2.9	2.1
Foreign currency series:					
Certificates of indebtedness	----------	----------	----------	.9	1.9
Treasury bonds	----------	----------	----------	----------	8.2
Foreign series:					
Certificates of indebtedness	----------	----------	----------	10.7	11.3
Treasury notes	----------	----------	----------	----------	2.7
Treasury bonds, investment series	242.2	196.0	169.1	140.2	118.7
Treasury bonds, R.E.A. series	----------	----------	.2	.5	.5
U.S. savings bonds:					
Series E, F, and J [1]	1,232.0	1,246.0	1,285.8	1,358.3	1,404.5
Series G, H, and K	296.1	257.0	261.1	277.7	298.1
Other [2]	(*)	(*)	(*)	(*)	(*)
Total nonmarketable obligations	1,774.3	1,702.6	1,718.8	1,791.2	1,848.0
Total public issues	6,395.4	7,986.5	7,707.1	7,857.7	8,604.3
Special issues:					
Certificates of indebtedness	592.1	244.8	243.6	228.6	248.9
Treasury notes	431.9	373.4	265.7	204.6	167.6
Treasury bonds	173.4	574.9	740.8	828.9	874.5
Total special issues	1,197.4	1,193.1	1,250.1	1,262.1	1,291.0
Total interest on public debt	7,592.8	9,179.6	8,957.2	9,119.8	9,895.3

r Revised.
* Less than $50,000.
1 Amounts represent discount treated as interest.
2 Includes Armed Forces leave bonds and adjusted service bonds.

TABLE 52.—*Interest on the public debt and guaranteed obligations by tax status, fiscal years 1940–63*

[In millions of dollars. On basis of Public Debt accounts, see "Bases of Tables"]

Fiscal year	Total	Tax-exempt			Taxable	Special issues to Government agencies and trust funds
		Total	Wholly	Partially		
	Issued by U. S. Government					
1940	1,041.4	909.6	104.2	805.4	----------	131.8
1941	1,110.2	950.1	79.2	870.9	0.5	159.6
1942	1,260.1	907.2	57.1	850.1	153.5	199.4
1943	1,813.0	895.6	38.3	857.4	676.1	241.3
1944	2,610.1	852.2	27.2	825.0	1,449.8	308.2
1945	3,621.9	780.2	45.3	734.9	2,436.3	405.4
1946	4,747.5	711.9	26.0	685.9	3,530.8	504.8
1947	4,958.0	601.0	7.0	594.0	3,755.1	601.9
1948	5,187.8	574.8	5.6	569.2	3,884.9	728.1
1949	5,352.3	494.5	5.1	489.4	4,040.3	817.5
1950	5,496.3	416.7	4.3	412.4	4,218.8	860.8
1951	5,615.1	329.9	4.2	325.7	4,413.0	872.2
1952	5,853.0	226.0	4.1	221.9	4,686.9	940.1
1953	6,503.6	201.7	3.7	198.0	5,258.4	1,043.5
1954	6,382.5	183.9	3.1	180.8	5,071.0	1,127.6
1955	6,370.4	148.6	2.2	146.4	5,107.1	1,114.7
1956	6,786.6	94.6	1.5	93.1	5,553.6	1,138.4
1957	7,244.2	73.3	1.5	71.8	5,930.2	1,240.7
1958	7,606.8	66.6	1.5	65.1	6,317.2	1,223.0
1959	7,592.8	42.3	1.5	40.8	6,353.1	1,197.4
1960	9,179.6	42.3	1.5	40.8	7,944.2	1,193.1
1961	8,957.2	42.2	1.4	40.8	7,664.9	1,250.1
1962	9,119.8	40.8	(*)	40.8	7,816.9	1,262.1
1963	9,895.3	18.8	(*)	18.8	8,585.5	1,291.0
	Issued by Federal instrumentalities: Guaranteed issues					
1940	109.9	109.9	----------	109.9	----------	----------
1941	110.9	110.9	----------	110.9	----------	----------
1942	125.6	113.0	----------	113.0	12.6	----------
1943	82.0	66.6	----------	66.6	15.4	----------
1944	77.9	65.7	----------	65.7	12.2	----------
1945	18.0	13.2	----------	13.2	4.8	----------
1946	1.6	1.6	----------	1.6	(*)	----------
1947	1.6	1.6	----------	1.6	(*)	----------
1948	1.1	1.1	----------	1.1	(*)	----------
1949	.7	.4	----------	.4	.2	----------
1950	.5	.3	----------	.3	.1	----------
1951	1.1	.3	----------	.3	.8	----------
1952	1.8	.4	----------	.4	1.4	----------
1953	2.4	.3	----------	.3	2.1	----------
1954	2.2	.2	----------	.2	2.0	----------
1955	2.1	.2	----------	.2	1.9	----------
1956	2.5	.2	----------	.2	2.3	----------
1957	3.8	.2	----------	.2	3.6	----------
1958	4.0	.2	----------	.2	3.8	----------
1959	4.9	.1	----------	.1	4.8	----------
1960	5.0	.1	----------	.1	4.9	----------
1961	8.3	(*)	----------	(*)	8.2	----------
1962	15.8	(*)	----------	(*)	15.8	----------
1963	23.8	(*)	----------	(*)	23.8	----------

*Less than $50,000.

NOTE.—Figures for 1940 to 1949, inclusive, represent actual interest payments; figures for 1950 to 1954 inclusive, represent interest which became due and payable during those years without regard to actual payments; figures for 1955 to 1963, inclusive, are shown on an accrual basis.

Amount of interest paid includes increase in redemption value of United States savings bonds and discount on unmatured issues of Treasury bills. Interest paid on guaranteed issues does not include amounts paid on demand obligations of Commodity Credit Corporation. Data for 1913–33 will be found in the 1948 annual report, p. 539, and for 1934–39 in the 1952 annual report, p. 645.

V.—Prices and yields of securities

TABLE 53.—*Average yields of taxable*[1] *long-term Treasury bonds by months, October 1941–June 1963*[2]

[Averages of daily figures. Percent per annum compounded semiannually]

Year	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Average
1941	----------	----------	----------	----------	----------	----------	----------	----------	----------	[3] 2.34	2.34	2.47	----------
1942	2.48	2.48	2.46	2.44	2.45	2.43	2.46	2.47	2.46	2.45	2.47	2.49	2.46
1943	2.46	2.46	2.48	2.48	2.46	2.45	2.45	2.46	2.48	2.48	2.48	2.49	2.47
1944	2.49	2.49	2.48	2.48	2.49	2.49	2.49	2.48	2.47	2.48	2.48	2.48	2.48
1945	2.44	2.38	2.40	2.39	2.39	2.35	2.34	2.36	2.37	2.35	2.33	2.33	2.37
1946	2.21	2.12	2.09	2.08	2.19	2.16	2.18	2.23	2.28	2.26	2.25	2.24	2.19
1947	2.21	2.21	2.19	2.19	2.19	2.22	2.25	2.24	2.24	2.27	2.36	2.39	2.25
1948	2.45	2.45	2.44	2.44	2.42	2.41	2.44	2.45	2.45	2.45	2.44	2.44	2.44
1949	2.42	2.39	2.38	2.38	2.38	2.38	2.27	2.24	2.22	2.22	2.20	2.19	2.31
1950	2.20	2.24	2.27	2.30	2.31	2.33	2.34	2.33	2.36	2.38	2.38	2.39	2.32
1951	2.39	2.40	2.47	2.56	2.63	2.65	2.63	2.57	2.56	2.61	2.66	2.70	2.57
1952	2.74	2.71	2.70	[3] 2.64	2.57	2.61	2.61	2.70	2.71	2.74	2.71	2.75	2.68
1953	2.80	2.83	2.89	[3] 2.97	3.11	3.13	3.02	3.02	2.98	2.83	2.86	2.79	2.94
1954	2.69	2.62	2.53	2.48	2.54	2.55	2.47	2.48	2.52	2.54	2.57	2.59	2.55
1955	2.68	2.78	2.78	2.82	2.81	2.82	2.91	2.95	2.92	2.87	2.89	2.91	2.84
1956	2.88	2.85	2.93	3.07	2.97	2.93	3.00	3.17	3.21	3.20	3.30	3.40	3.08
1957	3.34	3.22	3.26	3.32	3.40	3.58	3.60	3.63	3.66	3.73	3.57	3.30	3.47
1958	3.24	3.28	3.25	3.12	3.14	3.20	3.36	3.60	3.75	3.76	3.70	3.80	3.43
1959	3.91	3.92	3.92	4.01	4.08	4.09	4.11	4.10	4.26	4.11	4.12	4.27	4.08
1960	4.37	4.22	4.08	4.18	4.16	3.98	3.86	3.79	3.84	3.91	3.93	3.88	4.02
1961	3.89	3.81	3.78	3.80	3.73	3.88	3.90	4.00	4.02	3.98	3.98	4.06	3.90
1962	4.08	4.09	4.01	3.89	3.88	3.90	4.02	3.98	3.94	3.89	3.87	3.87	3.95
1963	3.89	3.92	3.93	3.97	3.97	4.00	----------	----------	----------	----------	----------	----------	----------

[1] Taxable bonds are those on which the interest is subject to both the normal and surtax rates of the Federal income tax. This average commenced Oct. 20, 1941.

[2] Prior to October 1941 yields were on partially tax-exempt long-term bonds. For January 1930 through December 1945, see the 1956 annual report, page 492, and for January 1919 through December 1929, see the 1943 annual report, p. 662.

[3] Beginning Oct. 20, 1941, through Mar. 31, 1952, yields are based on bonds neither due nor callable for 15 years; beginning Apr. 1, 1952, through Mar. 31, 1953, on bonds neither due nor callable for 12 years; beginning Apr. 1, 1953, on bonds neither due nor callable for 10 years.

NOTE.—For bonds selling above par and callable at par before maturity, the yields are computed on the basis of redemption at first call date; while for bonds selling below par, yields are computed to maturity. Monthly averages are averages of daily figures. Each daily figure is an unweighted average of the yields of the individual issues. Yields before 1953 are computed on the basis of the mean of closing bid and ask quotations in the over-the-counter market. Commencing April 1953, yields, as reported by the Federal Reserve Bank of New York, are based on over-the-counter bid quotations. See *Treasury Bulletin* for current monthly yields.

Table 54.—*Prices and yields of marketable public debt issues June 29, 1962, and June 28, 1963, and price range since first traded*

[Price decimals are thirty-seconds and + indicates additional sixty-fourth]

Issue [1]	June 29, 1962			June 28, 1963			Price range since first traded [2]			
	Price		Yield to call or to maturity [3]	Price		Yield to call or to maturity [3]	High		Low	
	Bid	Ask		Bid	Ask		Price	Date	Price	Date
Taxable issues:										
Treasury bonds:			*Percent*			*Percent*				
2¼% Dec. 15, 1959–62	99.22	99.24	2.95	-----	-----	-----	104.21	Apr. 6, 1946	91.18	July 24, 1957
2½% Aug. 15, 1963	99.10	99.14	3.13	99.31	100.01	2.73	100.24	Apr. 18, 1958	91.05	Sept. 15, 1959
3% Feb. 15, 1964	99.21	99.25	3.22	99.30	100.00	3.10	103.19	Apr. 21, 1958	92.06	Sept. 15, 1959
2⅝% Feb. 15, 1965	97.28	98.00	3.48	98.31	99.01	3.28	100.13	June 5, 1958	89.00	Jan. 6, 1960
3¾% May 15, 1966	100.10	100.14	3.66	100.15	100.17	3.58	102.11	May 15, 1961	99.09	Feb. 1, 1962
3% Aug. 15, 1966	97.25	97.29	3.58	98.16	98.20	3.51	103.20	Apr. 21, 1958	89.24	Jan. 6, 1960
3⅜% Nov. 15, 1966	98.29	99.01	3.65	99.12	99.14	3.57	100.06	May 15, 1961	97.10	Dec. 12, 1961
2½% June 15, 1962–67	94.24	95.00	3.67	96.04	96.08	3.56	108.12	Apr. 6, 1946	84.22	Sept. 15, 1959
3⅝% Nov. 15, 1967	99.10	99.14	3.77	99.19	99.21	3.73	100.26	Dec. 24, 1962	97.18	Aug. 9, 1961
3⅞% May 15, 1968	100.04	100.12	3.85	100.11	100.15	3.80	102.04	May 12, 1961	98.11	June 9, 1960
3¾% Aug. 15, 1968	99.18	99.22	3.83	99.23	99.27	3.81	101.06	Dec. 26, 1962	99.08	July 9, 1962
2½% Dec. 15, 1963–68	92.04	92.12	3.89	94.00	94.06	3.73	108.03	Apr. 6, 1946	82.08	Jan. 6, 1960
4% Feb. 15, 1969	-----	-----	-----	100.20	100.24	3.88	102.08	Dec. 24, 1962	99.31	July 31, 1962
2½% June 15, 1964–69	91.04	91.12	3.97	93.01	93.07	3.82	107.25	Apr. 6, 1946	81.10	Jan. 6, 1960
4% Oct. 1, 1969	100.16	100.20	3.92	100.20	100.24	3.89	110.14	Apr. 21, 1958	94.04	Dec. 30, 1959
2½% Dec. 15, 1964–69	90.12	90.20	4.01	92.13	92.19	3.84	107.24	Apr. 6, 1946	81.04	Jan. 6, 1960
2½% Mar. 15, 1965–70	90.07	90.15	3.99	92.00	92.06	3.87	107.23	Apr. 6, 1946	80.10	Jan. 6, 1960
4% Aug. 15, 1970	-----	-----	-----	100.10	100.12	3.95	100.10	June 28, 1963	100.07	June 17, 1963
2½% Mar. 15, 1966–71	89.08	89.16	3.97	91.06	91.12	3.83	107.22	Apr. 6, 1946	79.28	Jan. 6, 1960
4% Aug. 15, 1971	100.00	100.08	4.00	100.08	100.12	3.96	101.27	Dec. 26, 1962	99.04	Feb. 20, 1962
3⅞% Nov. 15, 1971	99.00	99.04	4.00	99.07	99.11	3.99	100.28	Dec. 26, 1962	98.22	July 31, 1962
4% Feb. 15, 1972	-----	-----	-----	100.02	100.06	3.99	101.20	Dec. 26, 1962	100.00	Apr. 15, 1963
2½% June 15, 1967–72	87.30	88.06	3.98	89.18	89.24	3.89	106.16	Apr. 6, 1946	79.12	Jan. 6, 1960
4% Aug. 15, 1972	-----	-----	-----	100.02	100.06	3.99	101.20	Dec. 26, 1962	99.17+	Sept. 7, 1962
2½% Sept. 15, 1967–72	87.26	88.02	3.96	89.03	89.09	3.92	109.18	Apr. 6, 1946	78.24	Jan. 6, 1960
2½% Dec. 15, 1967–72	87.22	87.30	3.95	89.02	89.08	3.89	106.16	Apr. 6, 1946	79.06	Jan. 6, 1960
3⅞% Nov. 15, 1974	98.24	99.00	4.00	98.25	98.29	4.01	110.24	Apr. 22, 1958	92.08	Jan. 6, 1960
4% Feb. 15, 1980	99.24	100.00	4.02	99.20	99.24	4.03	103.18	May 12, 1961	93.08	Jan. 6, 1960
3½% Nov. 15, 1980	93.16	93.24	4.00	93.22	93.30	4.01	97.24	May 12, 1961	91.08	Feb. 20, 1962
3¼% June 15, 1978–83	90.00	90.08	3.96	89.26	90.02	4.00	111.28	Aug. 4, 1954	82.06	Jan. 6, 1960
3¼% May 15, 1985	89.30	90.06	3.92	89.22	89.30	3.96	101.04	June 11, 1958	82.04	Jan. 6, 1960
4¼% May 15, 1975–85	103.04	103.12	3.94	102.10	102.18	4.00	105.28	May 5, 1961	98.10	May 19, 1960
3½% Feb. 15, 1990	90.18	90.26	4.07	91.12	91.20	4.03	106.26	Apr. 21, 1958	84.08	Jan. 6, 1960
4¼% Aug. 15, 1987–92	-----	-----	-----	102.10	102.18	4.10	104.10	Dec. 26, 1962	100.28	July 31, 1962
4% Feb. 15, 1988–93	-----	-----	-----	99.12	99.20	4.04	100.11	Jan. 16, 1963	98.18	Apr. 17, 1963
4⅛% May 15, 1989–94	-----	-----	-----	100.13	100.17	4.10	100.18	May 16, 1963	100.10	May 1, 1963
3% Feb. 15, 1995	85.00	95.08	3.81	87.14	87.22	3.68	101.12	June 8, 1955	79.08	Jan. 6, 1960
3½% Nov. 15, 1998	89.10	89.18	4.07	90.15	90.23	4.01	95.14	May 12, 1961	87.10	Feb. 20, 1962

Treasury notes:										
4% B, Aug. 15, 1962	100.03	100.07	3.16				107.05	June 6, 1958	98.06	Dec. 4, 1959
3¼% G, Aug. 15, 1962	100.01+	100.03+	2.82							
3¾% C, Nov. 15, 1962	100.08	100.12	3.05				106.13	Apr. 22, 1958	96.06	Dec. 28, 1959
3¼% H, Nov. 15, 1962	100.02	100.04	3.07							
2⅝% A, Feb. 15, 1963	99.23	99.25	3.09				101.14	June 11, 1958	92.09	Sept. 15, 1959
3¼% E, Feb. 15, 1963	100.02	100.04	3.15							
4% B, May 15, 1963	100.24	100.26	3.12				102.08	Dec. 29, 1960	96.14	Dec. 29, 1959
3¼% D, May 15, 1963	100.02	100.04	3.18				100.14	May 12, 1961	99.20	June 5, 1961
4⅞% C, Nov. 15, 1963	102.07	102.11	3.21	100.23	100.25	2.89	104.23	Dec. 30, 1960	99.19	Jan. 6, 1960
4¾% A, May 15, 1964	102.14	102.18	3.39	101.12	101.14	3.14	104.25	May 12, 1961	99.18	Dec. 29, 1959
3¾% D, May 15, 1964	100.21	100.23	3.38	100.17	100.19	3.13	101.26	May 15, 1961	98.11	June 9, 1960
5% B, Aug. 15, 1964	103.03	103.07	3.47	101.30	102.00	3.23	105.28	May 12, 1961	100.09	Dec. 4, 1959
3¾% E, Aug. 15, 1964	100.20	100.24	3.44	100.18	100.22	3.24	101.08	Oct. 4, 1962	99.23	Aug. 14, 1961
4⅞% C, Nov. 15, 1964	103.03	103.07	3.50	102.05	102.09	3.25	105.22	May 15, 1961	99.25	Feb. 2, 1960
4⅝% A, May 15, 1965	103.02	103.06	3.49	102.14	102.18	3.27	105.07	May 12, 1961	99.25	May 18, 1960
3½% B, Nov. 15, 1965				100.02	100.04	3.47	100.17	Feb. 21, 1963	99.30	June 3, 1963
3⅝% B, Feb. 15, 1966	99.30	100.02	3.64	100.02	100.04	3.60	100.25	Dec. 24, 1962	99.18	July 18, 1962
4% A, Aug. 15, 1966	101.06	101.10	3.69	101.03	101.05	3.63	102.04	Dec. 26, 1962	100.02	Feb. 5, 1962
3⅝% B, Feb. 15, 1967				99.22	99.24	3.72	100.02+	Mar. 20, 1963	99.18	June 3, 1963
3¾% A, Aug. 15, 1967				100.00	100.02	3.75	101.06	Dec. 24, 1962	99.23+	Sept. 7, 1962
1½% EO, Oct. 1, 1962	99.21	99.25	2.90				99.22	June 18, 1962	88.12	Oct. 2, 1957
1½% EA, Apr. 1, 1963	99.03	99.11	2.75				99.05	June 22, 1962	88.14	Sept. 16, 1959
1½% EO, Oct. 1, 1963	98.14	98.22	2.78	99.20	99.24	3.01	99.20	June 28, 1963	87.08	Sept. 16, 1959
1½% EA, Apr. 1, 1964	97.08	97.16	3.13	99.01	99.07	2.81	99.01	June 28, 1963	85.16	Sept. 15, 1959
1½% EO, Oct. 1, 1964	96.08	96.16	3.28	98.11	98.15	2.86	98.14	May 23, 1963	85.00	Sept. 30, 1959
1½% EA, Apr. 1, 1965	94.28	95.04	3.47	97.16	97.20	2.98	97.22	May 7, 1963	87.12	May 24, 1960
1½% EO, Oct. 1, 1965	93.26	94.02	3.53	96.22	96.30	3.03	96.28	Mar. 8, 1963	90.06	Nov. 29, 1960
1½% EA, Apr. 1, 1966	92.20	92.28	3.62	95.20	95.28	3.17	95.31	May 16, 1963	89.06	Sept. 8, 1961
1½% EO, Oct. 1, 1966	91.22	91.30	3.63	94.20	94.28	3.26	95.06	Feb. 20, 1963	89.12	Oct. 11, 1961
1½% EA, Apr. 1, 1967	90.22	90.30	3.66	93.20	93.28	3.32	94.06	Feb. 20, 1963	90.09	July 9, 1962
1½% EO, Oct. 1, 1967				92.20	92.28	3.38	93.12	Feb. 20, 1963	92.00	Oct. 1, 1962
1½% EA, Apr. 1, 1968				91.22	91.30	3.41	92.10	Apr. 4, 1963	91.22	June 28, 1963
Certificates of indebtedness:										
3½% A, Feb. 15, 1963	100.07	100.09	3.14							
3¼% B, May 15, 1963	100.02	100.04	3.18							
3½% C, Aug. 15, 1963				100.03+	100.05+	2.56				
3⅛% D, Nov. 15, 1963				100.02	100.04	2.94				
3¼% A, Feb. 15, 1964				100.03	100.05	3.10				
3¼% B, May 15, 1964				100.03+	100.05+	3.12				
Partially tax-exempt issue:										
Treasury bonds, 2¾% Dec. 15, 1960–65	100.15	100.19	1.70				119.00	Jan. 25, 1946	95.16	Dec. 28, 1959

[1] Excludes Treasury bills, which are fully taxable. For description and amount of each issue outstanding on June 30, 1963, see table 33; for information as of June 30, 1962, see 1962 annual report, p. 627.

[2] Beginning April 1953, prices are closing bid quotations. Prices for prior dates are the mean of closing bid and ask quotations, except that before Oct. 1, 1939, they were closing prices on the New York Stock Exchange. "When issued" prices are included in price range beginning Oct. 1, 1939. Dates of highs and lows in case of recurrence are the latest dates. Issues with original maturity of less than 2 years are excluded.

[3] Yields are computed to earliest call date when prices are above par and to maturity date when prices are at par or below.

NOTE.—Prices and yields (based on bid prices) on June 30, 1962 and 1963, are over-the-counter quotations, as reported to the Treasury Department by the Federal Reserve Bank of New York. Yields are percent per annum compounded semiannually except that those for securities having only one interest payment are computed on a simple interest basis.

VI.—Ownership of

TABLE 55.—*Summary of Treasury survey of ownership of interest-*

[Par value. In

Classification	Total amount outstanding		Held by investors covered: Commercial banks [2 3]		Mutual savings banks [2]		Insurance companies: Life		Insurance companies: Fire, casualty, and marine	
	June 30		June 30		June 30		June 30		June 30	
	1962	1963	1962	1963	1962	1963	1962	1963	1962	1963
Number of institutions or funds	--------	--------	6,200	6,120	509	507	302	301	512	508
TYPE OF SECURITY										
Public marketable:										
Treasury bills:										
Regular weekly	32,225	37,729	5,486	5,467	199	277	172	95	157	200
Tax anticipation	1,802	--------	151	------	3	------	44	------	4	------
Other	8,009	9,501	1,453	2,166	105	111	40	5	33	44
Certificates of indebtedness	13,547	22,169	3,275	2,874	115	71	13	15	153	107
Treasury notes	65,464	52,145	23,592	21,460	1,468	1,142	418	269	1,286	1,256
Treasury bonds	75,025	81,964	23,081	23,472	4,106	4,252	4,150	4,318	2,580	2,679
Guaranteed obligations held outside the Treasury	444	605	49	48	68	110	45	82	18	15
Total public marketable	196,516	204,113	57,087	55,487	6,063	5,962	4,882	4,784	4,230	4,301
Public nonmarketable:										
U.S. savings bonds [6]	47,607	48,314	71	3	13	8	12	7	37	20
Depositary bonds	138	103	[7] 138	[7] 103	(*)	(*)	------	------	------	------
Certificates of indebtedness:										
Foreign series	860	465	------	------	------	------	------	------	------	------
Foreign currency series	75	25	------	------	------	------	------	------	------	------
Treasury certificates	--------	2	------	------	------	------	------	------	------	------
Treasury notes, foreign series	--------	183	------	------	------	------	------	------	------	------
Treasury bonds:										
Foreign currency series	--------	604	------	------	------	------	------	------	------	------
Investment series	4,727	3,921	182	175	186	153	941	485	81	67
R.E.A. series	25	27	------	------	------	------	------	------	------	------
U.S. retirement plan bonds	--------	(*)	------	------	------	------	------	------	------	------
Total public nonmarketable	53,431	53,645	391	281	199	161	953	492	118	87
Special issues	44,939	44,801	------	------	------	------	------	------	------	------
Grand total	294,886	302,559	57,478	55,768	6,262	6,123	5,835	5,276	4,348	4,388
MATURITY CLASSES [8]										
Public marketable:										
Within 1 year	88,442	85,294	22,850	15,545	824	783	307	154	913	752
1 to 5 years	57,041	58,026	24,478	25,748	1,455	1,255	475	344	1,625	1,694
5 to 10 years	26,049	37,385	7,870	13,205	1,882	2,154	705	875	1,109	1,436
10 to 15 years	5,957	2,244	1,242	341	282	96	173	45	251	75
15 to 20 years	3,362	6,115	149	211	223	332	586	683	89	141
20 years and over	15,221	14,444	450	389	1,330	1,233	2,590	2,602	225	187
Guaranteed obligations	444	605	49	48	68	110	45	82	18	15
Total public marketable	196,516	204,113	57,087	55,487	6,063	5,962	4,882	4,784	4,230	4,301

*Less than $500,000.

[1] Banks and insurance companies covered in the Treasury survey of ownership of securities issued or guaranteed by the U.S. Government, account for approximately 90 percent of the amount of such securities owned by all banks and insurance companies in the United States. The savings and loan associations and corporations which were added to the survey in 1960 account for about half of the Federal securities held by these investor classes. State and local government funds which were added during fiscal 1962 account for about 60 percent. Details as to the ownership of each security are available in the *Treasury Bulletin* monthly for the above investors and semiannually for commercial banks classified by membership in the Federal Reserve System.

[2] Securities held in trust departments are excluded.

[3] Includes trust companies and stock savings banks.

[4] Included with all other investors are those banks, insurance companies, savings and loan associations, corporations, and State and local government funds not reporting in the Treasury survey.

governmental securities

bearing public debt and guaranteed obligations, June 30, 1962 and 1963

millions of dollars]

in Treasury survey [1]										Held by all other investors [4]		Memorandum: Held by corporate pension trust funds [5]	
Savings and loan associations		Corporations		State and local governments				U.S. Government investment accounts and Federal Reserve Banks					
				General funds		Pension and retirement funds							
June 30		June 30		June 30		June 30		June 30		June 30		June 30	
1962	1963	1962	1963	1962	1963	1962	1963	1962	1963	1962	1963	1962	1963
488	488	473	472	298	295	186	185	-------	-------	-------	-------	14,085	15,365
124	140	3,745	5,368	2,516	3,055	272	333	2,957	3,712	16,598	19,082	418	492
1	-------	902	-------	59	-------	19	-------	95	-------	524	-------	11	-------
58	69	566	957	655	844	7	14	707	794	4,385	4,496	81	88
51	41	1,148	752	391	472	21	5	5,901	14,836	2,479	2,996	55	72
567	557	2,447	1,933	1,244	735	279	205	18,495	10,962	15,669	13,626	530	429
2,012	2,400	1,079	1,134	2,343	2,508	4,057	4,476	10,499	12,842	21,119	23,883	767	945
29	58	-------	-------	6	(*)	22	27	167	165	41	99	1	5
2,840	3,266	9,887	10,144	7,214	7,614	4,677	5,060	38,821	43,312	60,814	64,182	1,864	2,030
40	33	4	3	70	35	54	32	9	8	47,296	48,166	110	118
-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------
-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	860	465	-------	-------
-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	75	25	-------	-------
-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	2	-------	-------
-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	183	-------	-------
-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	604	-------	-------
61	55	5	5	80	143	260	195	2,356	2,277	575	365	24	18
-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	25	27	-------	-------
-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	(*)	-------	-------
102	89	9	8	150	178	314	227	2,365	2,285	48,830	49,838	135	136
-------	-------	-------	-------	-------	-------	-------	-------	44,939	44,801	-------	-------	-------	-------
2,942	3,354	9,896	10,152	7,364	7,792	4,992	5,288	86,125	90,398	109,645	114,020	1,998	2,166
479	384	8,332	7,850	4,464	4,684	391	452	18,885	23,339	30,999	31,349	745	782
704	824	1,377	1,895	774	783	325	252	11,149	9,953	14,680	15,279	500	445
880	1,285	138	378	570	754	496	593	4,485	5,085	7,915	11,619	296	493
195	121	18	8	238	89	196	120	621	669	2,742	680	56	47
72	154	5	4	144	416	384	998	961	1,489	750	1,690	57	105
483	440	17	9	1,019	889	2,864	2,618	2,555	2,611	3,689	3,466	209	154
29	58	-------	-------	6	(*)	22	27	167	165	41	99	1	5
2,840	3,266	9,887	10,144	7,214	7,614	4,677	5,060	38,821	43,312	60,814	64,182	1,864	2,030

[5] Consists of corporate pension trust funds and profit-sharing plans which involve retirement benefits. Quarterly data are presented in the *Treasury Bulletin* as supplemental information in a memorandum column accompanying the Survey of Ownership for each reporting date, beginning with Dec. 31, 1953. The corresponding information from earlier reports, beginning with Dec. 31, 1949, is summarized in the March 1954 *Treasury Bulletin*, p. 30.

[6] U.S. savings bonds Series E, F, and J are reported at maturity value by the investors covered in the Treasury survey and have been adjusted to current redemption value for this table.

[7] Includes depositary bonds held by commercial banks not included in the survey: $73 million in 1962 and $50 million in 1963.

[8] All issues classified to final maturity except partially tax-exempt bonds which are classified to earliest call date. Table 31 in this report shows from 1946-63 the maturity distribution of marketable, interest-bearing public debt by call classes and by maturity classes.

TABLE 56.—*Estimated ownership of interest-bearing governmental securities outstanding June 30, 1954–63, by type of issuer*

[Par value.[1] In billions of dollars]

June 30	Total amount outstanding	Held by banks: Total	Held by banks: Commercial banks	Held by banks: Federal Reserve Banks	Held by U.S. Government investment accounts	Held by private nonbank investors: Total	Individuals [2]	Insurance companies	Mutual savings banks	Corporations [3]	State, local, and Territorial governments [4]	Miscellaneous investors [5]
	I. Securities of U. S. Government and Federal instrumentalities guaranteed by United States [6]											
1954	269.0	88.7	63.6	25.0	49.3	131.0	63.7	15.4	9.1	16.6	13.9	12.2
1955	271.8	87.1	63.5	23.6	50.5	134.1	64.0	15.0	8.7	18.8	14.7	12.8
1956	270.0	81.0	57.3	23.8	53.5	135.4	65.1	13.6	8.4	17.7	16.1	14.6
1957	268.6	79.2	56.2	23.0	55.6	133.8	64.6	12.7	7.9	16.8	16.8	14.9
1958	274.8	90.7	65.3	25.4	55.9	128.2	62.7	12.2	7.4	14.8	16.3	14.7
1959	281.9	87.6	61.5	26.0	54.6	139.7	64.4	12.6	7.3	20.8	16.9	17.7
1960	283.4	81.8	55.3	26.5	55.3	146.2	r 67.2	12.0	6.6	r 21.2	18.8	20.4
1961	285.9	89.8	62.5	27.3	56.1	140.0	r 62.4	11.4	6.3	r 20.0	19.3	20.6
1962	294.9	r 94.8	r 65.2	29.7	56.5	r 143.6	r 63.8	11.3	6.3	r 19.6	19.7	22.9
1963	302.6	96.4	64.4	32.0	58.4	147.8	64.8	10.8	6.1	20.2	20.7	25.2
	II. Securities of Federal instrumentalities not guaranteed by United States [7]											
1954	1.0	.5	.5	--------	(*)	.5	.3	(*)	(*)	.1	(*)	(*)
1955	1.8	.9	.9	--------	(*)	.9	.4	(*)	(*)	.4	(*)	(*)
1956	2.6	.9	.9	--------	(*)	1.6	.6	.1	.1	.7	(*)	.1
1957	3.5	1.0	1.0	--------	(*)	2.4	.9	.1	.2	1.0	(*)	.2
1958	3.8	1.4	1.4	--------	(*)	2.4	.8	.1	.2	1.0	.1	.2
1959	4.8	1.2	1.2	--------	(*)	3.6	1.2	.1	.3	1.3	.2	.5
1960	6.3	1.1	1.1	--------	(*)	5.2	1.7	.2	.4	1.6	.3	1.0
1961	5.4	1.2	1.2	--------	(*)	4.2	1.1	.2	.3	1.5	.4	.7
1962	6.8	1.7	1.7	--------	(*)	5.1	1.4	.3	.4	1.5	.6	.9
1963	7.5	2.3	2.3	--------	.1	5.1	1.3	.3	.4	1.6	.5	1.0
	III. Securities of State and local governments, Territories, and possessions [8]											
1954	37.4	12.0	12.0	--------	.3	25.1	13.8	4.6	.5	.9	4.5	.7
1955	42.8	12.8	12.8	--------	.3	29.7	16.4	5.8	.7	1.1	4.9	.8
1956	47.6	13.0	13.0	--------	.2	34.5	19.5	6.6	.7	1.4	5.3	.9
1957	52.1	13.4	13.4	--------	.2	38.4	22.0	7.4	.7	1.5	5.8	1.0
1958	56.8	15.8	15.8	--------	.3	40.7	22.8	8.2	.7	1.5	6.4	1.1
1959	62.0	17.0	17.0	--------	.3	44.6	24.6	9.5	.7	1.7	6.8	1.3
1960	66.4	16.8	16.8	--------	.3	49.2	27.2	10.9	.7	1.9	7.1	1.5
1961	71.7	18.8	18.8	--------	.4	52.5	28.3	12.3	.7	2.2	7.4	1.6
1962	80.1	23.2	23.2	--------	.5	56.4	r 30.7	r 13.4	.6	2.7	7.2	1.8
1963	85.9	27.9	27.9	--------	.6	57.5	31.7	14.1	.5	3.0	6.4	1.8

*Less than $50 million.
r Revised.
[1] Except data including U.S. savings bonds of Series A–F and J, which are on the basis of current redemption value.
[2] Includes partnerships and personal trust accounts.
[3] Exclusive of banks and insurance companies.
[4] Comprises trust, sinking, and investment funds of State and local governments, Territories, and possessions.
[5] Includes savings and loan associations, nonprofit associations, corporate pension trust funds, dealers and brokers, and investments of foreign balances and international accounts in this country.
[6] On daily Treasury statement basis. Since noninterest-bearing debt is excluded the figures differ slightly from those in discussion of debt ownership. Special issues to Federal agencies and trust funds are included and guaranteed securities held by the Treasury are excluded.
[7] Excludes stocks and interagency loans.
[8] Excludes obligations of Puerto Rico.

NOTE.—For data from 1937 through 1951, see the 1952 annual report, pp. 764 and 765; and for 1952 and 1953, the 1962 annual report, page 745.

Account of the Treasurer of the United States

TABLE 57.—*Assets and liabilities in the account of the Treasurer of the United States, June 30, 1962 and 1963*

[On basis of daily Treasury statements, see "Bases of Tables"]

	June 30, 1962	June 30, 1963	Increase, or decrease (−)
GOLD			
Assets: Gold	$16, 435, 032, 370. 92	$15, 733, 222, 381. 82	−$701, 809, 989. 10
Liabilities:			
Gold certificates, Series of 1934 outstanding	2, 816, 055, 600. 00	2, 816, 055, 600. 00	
Gold certificate fund—Board of Governors, Federal Reserve System	12, 173, 587, 296. 12	11, 349, 587, 296. 12	−824, 000, 000. 00
Redemption fund—Federal Reserve notes	1, 168, 398, 114. 26	1, 291, 576, 899. 26	123, 178, 785. 00
Reserve against U.S. notes outstanding	156, 039, 430. 93	156, 039, 430. 93	
Gold balance in Treasurer's account	120, 951, 929. 61	119, 963, 155. 51	−988, 774. 10
Total	16, 435, 032, 370. 92	15, 733, 222, 381. 82	−701, 809, 989. 10
SILVER			
Assets:			
Silver bullion (monetary value)[1]	2, 183, 103, 785. 68	2, 078, 398, 736. 11	−104, 705, 049. 57
Silver dollars	115, 688, 279. 00	65, 771, 615. 00	−49, 916, 664. 00
Total	2, 298, 792, 064. 68	2, 144, 170, 351. 11	−154, 621, 713. 57
Liabilities:			
Silver certificates (issued after June 30, 1929) outstanding	2, 276, 607, 555. 00	2, 126, 355, 174. 00	−150, 252, 381. 00
Silver balance in Treasurer's account	22, 184, 509. 68	17, 815, 177. 11	−4, 369, 332. 57
Total	2, 298, 792, 064. 68	2, 144, 170, 351. 11	−154, 621, 713. 57
GENERAL ACCOUNT			
Assets:			
In Treasury offices:			
Gold balance (as above)	120, 951, 929. 61	119, 963, 155. 51	−988, 774. 10
Silver:			
At monetary value, balance (as above)	22, 184, 509. 68	17, 815, 177. 11	−4, 369, 332. 57
Subsidiary coin	4, 535, 811. 85	4, 304, 554. 87	−231, 256. 98
Bullion:			
At recoinage value	117, 168. 16		−117, 168. 16
At cost value	21, 608, 386. 55	22, 476, 846. 41	868, 459. 86
At monetary value[2]	8, 408, 418. 66	4, 338, 343. 28	−4, 070, 075. 38
Minor coin	1, 033, 321. 86	639, 032. 31	−394, 289. 55
U.S. notes	3, 111, 576. 00	3, 162, 085. 00	50, 509. 00
Federal Reserve notes	85, 907, 220. 00	83, 553, 715. 00	−2, 353, 505. 00
Federal Reserve Bank notes	100, 230. 00		−100, 230. 00
National bank notes	19, 770. 00	400. 00	−19, 370. 00
Gold certificates (prior to Series of 1934)	149, 010. 00	96, 420. 00	−52, 590. 00
Unclassified collections, uncollected items, exchanges, etc. (net)[3]	70, 287, 079. 66	73, 984, 377. 31	3, 697, 297. 65
Subtotal	338, 414, 432. 03	330, 334, 106. 80	−8, 080, 325. 20
Deposits in:			
Federal Reserve Banks:			
Available funds	611, 926, 216. 96	806, 434, 901. 88	194, 508, 684. 92
In process of collection	303, 269, 291. 01	341, 894, 510. 82	38, 625, 219. 81
Special depositaries, Treasury tax and loan accounts	8, 814, 673, 941. 60	10, 324, 211, 589. 74	1, 509, 537, 648. 14
National and other bank depositaries	304, 901, 723. 56	264, 133, 899. 80	−40, 767, 823. 76
Foreign depositaries	135, 755, 628. 95	49, 167, 154. 37	−86, 588, 474. 58
Subtotal	10, 170, 526, 802. 08	11, 785, 842, 056. 61	1, 615, 315, 254. 53
Total assets, Treasurer's account	10, 508, 941, 234. 11	12, 116, 176, 163. 41	1, 607, 234, 929. 3
Liabilities:[3]			
Board of Trustees, Postal Savings System:			
Five percent reserve, lawful money	30, 000, 000. 00		−30, 000, 000. 00
Other deposits	11, 686, 254. 87		−11, 686, 254. 87
Uncollected items, exchanges, etc	36, 861, 430. 46		−36, 861, 430. 46
Total liabilities, Treasurer's account	78, 547, 685. 33		−78, 547, 685. 33
Balance in Treasurer's account	10, 430, 393, 548. 78	12, 116, 176, 163. 41	1, 685, 782, 614. 63
Total Treasurer's liabilities and balance	10, 508, 941, 234. 11	12, 116, 176, 163. 41	1, 607, 234, 929. 30

[1] There were 64,751,316.1 ounces held on June 30, 1962 and 1963, by certain Federal agencies.

[2] Consists of silver bullion previously revalued and held to secure outstanding silver certificates, which has been released for coinage use, pursuant to the President's directive to the Secretary of the Treasury, dated Nov. 28, 1961.

[3] Under a revision in format of the *Daily Statement of the United States Treasury* effective Jan. 2, 1963, liabilities are no longer shown against the Treasurer's general account. Funds of the Board of Trustees, Postal Savings System, were converted to deposit fund accounts on the Department's central books like the many other trust and deposit fund accounts of the Government. Assets formerly captioned "Unclassified-collections, etc." and liabilities designated as "Uncollected items, exchanges, etc." are now shown net against the caption "Unclassified collections, uncollected items, exchanges, etc. (net)."

TABLE 58.—*Analysis of changes in tax and loan account balances, fiscal years 1952–63*

[In millions of dollars. On basis of telegraphic reports]

Fiscal year or month	Credits							Withdrawals	Balance			
	Proceeds from sales of securities [1]				Taxes		Total credits		End of period	During period		
	Savings bonds	Savings notes	Tax anticipation securities	Other	Withheld and excise [2]	Income (by special arrangement)[3]				High	Low	Average
1952	2,226	4,679	2,451	287	13,579	13,270	36,493	37,066	5,106	5,409	1,425	3,255
1953	2,667	2,231	5,243	5,041	15,859	10,227	41,267	43,303	3,071	8,776	950	4,212
1954	3,457	2,333	6,861	4,304	19,898	4,791	41,644	39,879	4,836	7,493	1,649	3,870
1955	4,424		5,977	8,167	20,538	2,967	42,074	42,545	4,365	7,299	1,910	3,991
1956	3,810		6,035	786	23,897	4,611	39,140	38,871	4,633	5,486	1,103	3,373
1957	2,976		5,043	6,568	26,709	4,152	45,448	46,000	4,082	6,078	813	2,987
1958	2,824		2,922	13,513	27,881	7,903	55,044	50,908	8,218	8,869	1,078	3,246
1959	2,668		7,581	13,164	29,190	5,919	58,520	62,994	3,744	8,055	912	3,638
1960	2,679		7,784	7,920	33,059	6,053	57,496	54,782	6,458	6,458	1,390	4,103
1961	2,787		7,613	1,788	34,511	9,142	55,842	56,847	5,453	7,653	1,161	4,151
1962	2,725		5,898	3,774	37,519	6,521	56,438	53,076	8,815	8,889	1,531	4,457
1963	2,699		2,963	3,830	41,267	6,835	57,595	56,085	10,324	10,324	2,535	5,325
1962–July	227				1,514	61	1,803	5,528	5,089	8,743	5,089	6,335
August	211			1,989	4,557	(*)	6,758	4,637	7,210	7,631	4,007	5,883
September	180			1	3,986	1,312	5,479	4,770	7,919	7,919	4,452	6,201
October	200		2,963	1	1,354	34	4,553	7,342	5,131	9,487	5,131	6,849
November	196				4,242		4,438	3,841	5,728	5,824	4,056	5,012
December	209			(*)	3,933	1,596	5,738	5,374	6,092	6,188	2,735	4,560
1963–January	317			(*)	1,432	44	1,793	4,206	3,678	5,886	3,458	4,095
February	243			(*)	4,810		5,053	3,152	5,580	5,580	3,569	4,351
March	231			(*)	4,281	1,763	6,275	5,388	6,466	6,746	2,656	4,823
April	237			(*)	1,488	30	1,755	3,882	4,340	5,648	2,535	3,497
May	237			(*)	5,053		5,290	3,637	5,992	6,884	4,736	5,899
June	211			1,838	4,617	1,995	8,661	4,329	10,324	10,324	3,519	6,393

[1] Special depositaries are permitted to make payment in the form of a deposit credit for the purchase price of U.S. Government obligations purchased by them for their own account, or for the account of their customers who enter subscriptions through them, when this method of payment is permitted under the terms of the circulars inviting subscriptions to the issues.

[2] Taxes eligible for credit consist of those deposited by taxpayers in the depositary banks ,as follows: Withheld income tax beginning March 1948; taxes on employers and employees under the Federal Insurance Contributions Act beginning January 1950, and under the Railroad Retirement Tax Act beginning July 1951; and a number of excise taxes beginning July 1953.

[3] Under a special procedure begun in March 1951, authorization may be given for income tax payments, or a portion of them, made by checks of $10,000 or more drawn on a special depositary bank to be credited to the tax and loan account in that bank. This procedure is followed during some of the quarterly periods of heavy tax payments.

* Less than $500,000.

Stock and Circulation of Money in the United States

TABLE 59.—*Stock of money, money in the Treasury, in the Federal Reserve Banks, and in circulation, by kinds, June 30, 1963*

[In thousands of dollars, except per capita figures. On basis of reports received from various Treasury offices and Federal Reserve Banks which take into account those transactions in transit to the Treasurer's Office as of June 30, supplemented by information taken from the Treasurer's accounts. Therefore, the figures shown in this table may differ from similar figures in other tables prepared on basis of daily Treasury statements. See *Circulation Statement of United States Money* published monthly]

Kind of money	Stock of money [1]	Money held in the Treasury					Money outside of the Treasury			
		Total	Amount held as security against gold and silver certificates	Reserve against United States notes	Held for Federal Reserve Banks and agents	All other money	Total	Held by Federal Reserve Banks and agents	In circulation	
									Amount	Per capita [2]
Gold	[3] 15,733,309	15,733,309	15,457,220	156,039	----	120,050	----	----	----	----
Gold certificates—Series of 1934	[4] (15,457,220)	[4] (12,641,164)	----	----	[4 5] (12,641,164)	----	2,816,056	2,816,056	----	----
Standard silver dollars	486,017	65,761	49,261	----	----	16,500	420,257	8,768	411,489	2.17
Silver bullion	2,078,399	2,078,399	2,078,399	----	----	----	----	----	----	----
Silver certificates—issued after June 30, 1929	[4] (2,127,660)	----	----	----	----	----	2,127,660	296,061	1,831,598	9.68
Subsidiary silver	1,824,878	3,854	----	----	----	3,854	1,821,024	31,099	1,789,924	9.46
Minor coin	681,787	610	----	----	----	610	681,177	4,886	676,291	3.57
U.S. notes	346,681	2,974	----	----	----	2,974	343,707	25,170	318,537	1.68
Federal Reserve notes—1928 and subsequent series	32,014,816	68,791	----	----	----	68,791	31,946,025	1,672,396	30,273,629	159.95
Subtotal	53,165,888	17,953,698	17,584,879	156,039	[4] (12,641,164)	[6] 212,779	[7] 40,155,905	4,854,437	35,301,469	186.51
In process of retirement (redeemable from general fund of the Treasury): [8]										
Federal Reserve Bank notes	78,501	----	----	----	----	----	78,501	254	78,247	.41
National bank notes	37,233	----	----	----	----	----	37,233	85	37,148	.20
Gold certificates—prior to Series of 1934	19,982	124	----	----	----	124	19,858	----	19,858	.10
Federal Reserve notes—prior to Series of 1928	17,995	----	----	----	----	----	17,995	----	17,995	.10
Silver certificates—issued before July 1, 1929	14,939	----	----	----	----	----	14,939	----	14,939	.08
Treasury notes of 1890	142	----	----	----	----	----	142	----	142	(*)
Total	53,334,680	17,953,822	17,584,879	156,039	[4] (12,641,164)	[6] 212,903	[7] 40,324,573	4,854,775	35,469,798	187.40

Footnotes at end of table.

TABLE 59.—*Stock of money, money in the Treasury, in the Federal Reserve Banks, and in circulation, by kinds, June 30, 1963*—Continued

[In thousands of dollars, except per capita figures]

Denomination	Paper currency of each denomination in circulation—June 30, 1963								Comparative totals of money in circulation		
	Gold certificates	Silver certificates	United States notes	Federal Reserve notes	Federal Reserve Bank notes	National bank notes	Treasury notes of 1890	Total	Date	Amount	Per capita [2]
$1		1,560,111	5,082		774	254	23	1,566,244	June 30, 1963	[9] 35,469,798	187.40
$2		1,405	94,880		174	121	22	96,602	May 31, 1963	35,066,741	185.48
$5		243,211	208,421	1,819,245	1,432	6,538	24	2,278,872	June 30, 1962	33,769,527	180.98
$10	5,286	41,342	6,525	6,933,259	5,977	11,903	21	7,004,312	June 30, 1960	32,064,619	177.47
$20	7,736	323	2,425	11,404,034	15,301	12,250	20	11,442,089	June 30, 1955	30,229,323	182.90
$50	2,105	79	200	3,006,558	18,173	2,581	1	3,029,697	June 30, 1950	27,156,290	179.03
$100	3,006	50	327	6,587,623	36,416	3,417	15	6,630,854	June 30, 1945	26,746,438	191.14
$500	642	7	352	242,516		65		243,581	June 30, 1940	7,847,501	59.40
$1,000	903	9	325	291,686		21	15	292,959	June 30, 1935	5,567,093	43.75
$5,000	60			2,625				2,685	June 30, 1930	4,521,988	36.74
$10,000	120			4,080				4,200	June 30, 1925	4,815,208	41.56
Fractional parts						(**)		(**)	Oct. 31, 1920	5,698,215	53.18
									Mar. 31, 1917	4,172,946	40.49
Total	19,858	1,846,537	318,537	30,291,625	78,247	37,148	142	32,592,094	June 30, 1914	3,459,434	34.90
									Jan. 1, 1879	816,267	16.76

*Less than one half cent.

**Less than $500.

[1] For a description of security held, see footnotes to table 61. "Stock of money" as here used, involves duplication to extent that U.S. notes and Federal Reserve notes, included in full, are in part secured by gold, also included in full.

[2] Based on the Bureau of the Census estimated population for the United States. Through 1958 the estimates are for the 48 contiguous States only; beginning with 1959 they include Alaska, and with 1960, Hawaii. They do not include Puerto Rico, the Canal Zone, or other outlying areas.

[3] Excludes gold held outside the Treasury and in Exchange Stabilization Fund.

[4] These amounts are not included in the total, since the gold or silver held as security against gold certificates of Series of 1934 and silver certificates issued after June 30, 1929, are included under gold, standard silver dollars, and silver bullion, respectively.

[5] This total includes credits with the Treasurer of the United States payable in gold certificates in (1) the Gold Certificate Fund—Board of Governors, Federal Reserve System, in the amount of $11,349,587,296 and (2) the redemption fund for Federal Reserve notes in the amount of $1,291,576,899.

[6] Includes $25,000,000 lawful money deposited as a reserve for postal savings deposits.

[7] The amount of gold certificates of Series of 1934 and silver certificates issued after June 30, 1929, should be deducted from this amount before combining with total money held in the Treasury to arrive at total shown in first column.

[8] Excludes the following amounts determined by the Secretary of the Treasury, through June 30, 1963, pursuant to legislation (31 U.S.C. 915 (c)), to have been destroyed or irretrievably lost and so will never be presented for redemption: Federal Reserve Bank notes $1,000,000; national bank notes $15,000,000; Gold certificates—prior to Series of 1934, $9,000,000; Federal Reserve notes—prior to Series of 1928, $18,000,000; silver certificates—issued before July 1, 1929, $15,000,000; and Treasury notes of 1890, $1,000,000.

[9] Highest amount to June 30, 1963.

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TABLE 60.—*Stock of money, money in the Treasury, in the Federal Reserve Banks, and in circulation, selected years, June 30, 1930–63*

[In thousands of dollars, except per capita figures. For basis of data see headnote to table 59]

June 30	Stock of money [1]	Money held in the Treasury					Money outside of the Treasury			
		Total	As security against gold and silver certificates, etc.[2]	As reserve against United States notes [3]	For Federal Reserve Banks and agents [4]	All other money	Total	Held by Federal Reserve Banks and agents	In circulation	
									Amount [5]	Per capita [6]
1930	8,306,564	4,021,937	1,978,448	156,039	1,796,239	91,211	6,263,075	1,741,087	4,521,988	36.74
1935	15,113,035	9,997,362	7,131,431	156,039	5,532,590	2,709,891	6,714,514	1,147,422	5,567,093	43.75
1940	28,457,960	21,836,936	19,651,067	156,039	14,938,895	2,029,829	11,333,196	3,485,695	7,847,501	59.40
1945	48,009,400	22,202,115	19,923,738	156,039	15,239,072	2,122,338	30,491,950	3,745,512	26,746,438	191.14
1950	52,440,353	26,646,409	25,348,625	156,039	20,166,524	1,141,744	30,976,045	3,819,755	27,156,290	179.03
1955	53,308,618	24,250,685	23,438,908	156,039	18,178,115	655,737	34,318,726	4,089,403	30,229,323	182.90
1960	53,070,922	21,850,109	21,455,014	156,039	16,213,467	239,056	36,462,360	4,397,741	32,064,619	177.47
1961	51,947,136	20,040,716	19,661,558	156,039	14,439,622	223,119	37,128,355	4,723,662	32,404,694	176.36
1962	52,194,980	18,813,454	18,434,891	156,039	13,341,985	222,524	38,474,431	4,704,904	33,769,527	180.98
1963	53,334,680	17,953,822	17,584,879	156,039	12,641,164	212,903	40,324,573	4,854,775	35,469,798	187.40

[1] Excludes paper currencies outside Treasury and credits to the Federal Reserve System which are fully secured by gold or silver (see footnote 2). They are excluded since gold and silver held as security against them are included. However, U. S. notes and Federal Reserve notes are included here in full, although partially secured by gold. Composition of the stock of money is shown in table 61.

[2] Through 1961 consists of gold and silver equivalent to credits payable (in gold before 1934 and in gold certificates thereafter) to Federal Reserve System, and to gold and silver certificates and Treasury notes of 1890 outside Treasury. Amounts shown for 1962 and 1963 equal credits payable in gold certificates and gold certificates of 1934 Series (all held by Federal Reserve System) and silver certificates issued after June 30, 1929, held outside Treasury.

[3] Until the Old Series Currency Adjustment Act (31 U.S.C. 911–916) was approved June 30, 1961, this gold reserve was also security for the Treasury notes of 1890.

[4] Represents gold earmarked for account of Federal Reserve System. Beginning with 1934 these amounts have been construed as gold certificates issued to the System but they are held in the Treasury and excluded from total stock of money.

[5] Composition of money in circulation is shown in table 62.

[6] Based on Bureau of Census estimated population, see table 59, footnote 2.

NOTE.—The monthly *Circulation Statement of United States Money*, on which this table is based, was revised beginning Dec. 31, 1927, to exclude earmarked gold coin from stock of money, and hence from money in circulation; to include in holdings of Federal Reserve Banks and agents, and hence in stock of money, gold held abroad for account of Federal Reserve Banks; and to include in all categories, minor coin (1-cent piece and 5-cent piece).

Figures for earlier years appeared in the following annual reports: 1860–1947 in the 1947 report, page 478; 1948 and 1949 in the 1956 report, page 540; and 1951–59 in the 1961 report, page 634.

TABLE 61.—*Stock of money by kinds, selected years, June 30, 1930–63*

[In thousands of dollars, except percentage of gold to total stock of money. For basis of data see headnote to table 59]

Kind of money	1930	1935	1940	1945	1950	1955	1960	1961	1962	1963
Bullion and coin:										
Gold	4,534,866	9,115,643	19,963,091	20,212,973	24,230,720	21,677,575	19,322,238	17,550,236	16,435,234	15,733,309
Silver bullion (at monetary value)	----------	313,309	1,353,162	1,520,295	2,022,835	2,187,429	2,252,075	2,252,334	[1] 2,183,104	[1] 2,078,399
Standard silver dollars	539,960	545,642	547,078	493,943	492,583	490,347	487,773	487,589	487,355	486,017
Subsidiary silver coin	310,978	312,416	402,261	825,798	1,001,574	1,296,140	1,552,106	1,608,670	1,710,760	1,824,878
Minor coin	126,001	133,040	173,909	303,539	378,463	449,625	559,148	594,060	636,034	681,787
Subtotal	5,511,805	10,420,050	22,439,501	23,356,548	28,126,175	26,101,115	24,173,340	22,492,889	21,452,487	20,804,391
Less: Gold, silver bullion, and standard silver dollars held as security for, or redemption of outstanding paper currencies [2]	3,967,402	7,287,471	19,807,106	20,079,777	25,504,665	23,594,948	21,611,053	19,817,597	18,590,930	17,740,919
Total bullion and coin (net)	1,544,403	3,132,579	2,632,395	3,276,771	2,621,510	2,506,168	2,562,287	2,675,292	2,861,558	3,063,472
Paper currency:										
Gold certificates, and credits payable therein [3]	3,322,904	6,320,236	17,821,133	18,106,600	23,022,852	21,028,137	19,059,416	17,285,481	16,158,041	15,457,220
Less: Amount held as collateral by Federal Reserve agents for Federal Reserve notes [4]	1,596,214	3,294,639	5,557,500	10,968,000	14,349,000	11,108,000	10,565,000	8,975,000	7,745,000	7,243,000
Subtotal	1,726,690	3,025,597	12,263,633	7,138,600	8,673,851	9,920,137	8,494,416	8,310,481	8,413,041	8,214,220
Gold certificates—prior to Series of 1934 [5]	----------	----------	----------	----------	----------	----------	----------	----------	29,424	19,982
Silver certificates [6]	487,198	810,014	1,828,771	1,815,988	2,324,628	2,409,630	2,394,456	2,374,935	2,306,799	2,142,599
Treasury notes of 1890 [7]	1,260	1,182	1,163	1,150	1,145	1,142	1,142	1,142	142	142
United States notes [8]	346,681	346,681	346,681	346,681	346,681	346,681	346,681	346,681	346,681	346,681
Federal Reserve notes [9]	1,746,501	3,492,854	5,481,778	23,650,975	23,602,680	26,629,030	28,394,186	28,960,307	30,197,755	32,032,811
Federal Reserve Bank notes [10]	3,260	84,354	22,809	533,979	277,202	164,412	100,736	92,784	85,386	78,501
National bank notes [11]	698,317	769,096	167,190	121,215	87,615	67,379	55,979	54,475	53,155	37,233
Total paper currency (net)	5,009,907	8,529,778	20,112,025	33,608,588	35,313,803	39,538,411	39,787,595	40,140,804	41,432,382	42,872,169
Total stock of money	6,554,310	11,662,357	22,744,420	36,885,360	37,935,313	42,044,579	42,349,882	42,816,096	44,293,940	45,935,641
Percentage of gold to total stock of money	69.19	78.16	87.77	54.80	63.87	51.56	45.63	40.99	37.10	34.25

[1] Excludes bullion carried at monetary value but released for coinage use (see table 57, footnote 2).

[2] Held in the Treasury as security against paper currencies except Federal Reserve notes, Federal Reserve Bank notes, and national bank notes. See footnotes keyed to each kind of paper currency. See also table 59 and corresponding tables in previous editions of the annual report.

[3] Consists of: Gold certificates outside of the Treasury (issues prior to Series of 1934 are included through 1961); credits with Treasurer of the United States payable to Board of Governors, Federal Reserve System, in gold certificates (gold or gold certificates prior to Gold Reserve Act of 1934); and 5 percent redemption fund with the Treasurer of the United States for Federal Reserve notes. These obligations are fully secured by gold in the Treasury. Gold certificates, gold coin, and gold bullion were withdrawn from circulation in 1933.

[4] Consists of: Deposits by Federal Reserve Banks with Federal Reserve agents of like amounts of gold certificates and credits (gold before gold conservation actions of 1933 and 1934). Requirements for the several kinds of security against Federal Reserve notes are given in footnote 9.

[5] Pursuant to the Old Series Currency Adjustment Act approved June 30, 1961 (31 U.S.C. 912-916) are redeemable from the general fund of the Treasury and upon redemption will be retired. See also footnote 3.

[6] Silver certificates are secured by silver bullion at monetary value ($1.29 per fine ounce) and standard silver dollars held in the Treasury. Those certificates issued before July 1, 1929 (of which $14,939,056 remained outstanding on June 30, 1963) are redeemable from the general fund and upon redemption will be retired (31 U.S.C. 912-916).

[7] Treasury notes of 1890 have been in process of retirement since March 1900 (31 U.S.C. 411) upon receipt by the Treasury. Until June 30, 1961, secured by silver and by gold reserve; thereafter redeemable from general fund. The gold reserve (31 U.S.C. 408), also applicable to U.S. notes, amounted to $156,039,088 in 1930 and $156,039,431 for subsequent dates in this table.

[8] U.S. notes are secured by gold reserve, which, through June 30, 1961, was also the gold reserve for the Treasury notes of 1890 (31 U.S.C. 408). This reserve amounted to $156,039,088 in 1930, and $156,039,431 for subsequent dates in this table. The amount of U.S. notes outstanding has been maintained at $346,681,016. Unfit notes destroyed and retired are replaced by like issues as required by the act of May 31, 1878 (31 U.S.C. 404).

[9] Federal Reserve notes are secured by deposits by Federal Reserve Banks with Federal Reserve agents of like amounts of gold certificates (gold before the gold conservation actions of 1933 and 1934) or of gold certificates and such discounted or purchased paper as is eligible under terms of the Federal Reserve Act, as amended, or (from February 27, 1932) of direct obligations of the United States. Federal Reserve Banks must maintain reserves in gold certificates or gold certificate credits (gold for 1933 and preceding years) of at least 25 percent of their notes in actual circulation (40 percent before act of June 12, 1945 (12 U.S.C. 413)) including the 5 percent redemption fund deposited with the Treasurer of the United States. Federal Reserve notes are obligations of the United States and are a first lien on all assets of the issuing Federal Reserve Bank.

Pursuant to the Old Series Currency Adjustment Act of 1961 (31 U.S.C. 912-916), funds were deposited by the Federal Reserve Banks on July 28, 1961, with the Treasurer of the United States for the redemption of all series of Federal Reserve notes issued before the Series of 1928. The amount shown for 1963 includes $17,995,238 for such series. See also footnote 4.

[10] Federal Reserve Bank notes at issuance were secured by direct obligations of the United States or commercial paper. Since termination of their issuance on June 12, 1945 (12 U.S.C. 455 note), the notes have been in process of retirement, and lawful money has been deposited with the Treasurer of the United States for their redemption.

[11] National bank notes at issuance were secured by direct obligations of the United States. From December 23, 1915 (12 U.S.C. 441) these notes have been in process of retirement, and lawful money has been deposited with the Treasurer of the United States for their redemption.

NOTE.—The Old Series Currency Adjustment Act of 1961, approved June 30, 1961 (31 U.S.C. 912-916) authorized the Secretary of the Treasury to determine from time to time the amounts of currency of the following types which have been destroyed or lost and to reduce the amounts thereof on the books of the Treasury: Gold certificates issued before January 30, 1934; silver certificates, United States notes, Federal Reserve Bank notes, and national bank notes all issued before July 1, 1929; Federal Reserve notes issued prior to the Series of 1928; and Treasury notes of 1890. For the amounts written off to June 30, 1963, under this authority, see table 59, footnote 8.

Figures for earlier years appeared in the following annual reports: 1860–1947 in the 1947 report, page 482; 1948 and 1949 in the 1956 report, page 542; and 1951–59 in the 1961 report, page 635.

TABLE 62.—*Money in circulation by kinds, selected years, June 30, 1930–63*

[In thousands of dollars. On basis of reports received from various Treasury offices, from the Federal Reserve Banks, and from the accounts of the Treasurer of the United States]

June 30	Gold coin	Gold certificates [1]	Standard silver dollars	Silver certificates [1]	Treasury notes of 1890 [1]	Subsidiary silver	Minor coin	United States notes [1]	Federal Reserve notes [1]	Federal Reserve Bank notes [1]	National bank notes [1]	Total
1930	357, 236	994, 841	38, 629	386, 915	1, 260	281, 231	117, 436	288, 389	1, 402, 066	3, 206	650, 779	4, 521, 988
1935	(2)	117, 167	32, 308	701, 474	1, 182	295, 773	125, 125	285, 417	3, 222, 913	81, 470	704, 263	5, 567, 093
1940	(2)	66, 793	46, 020	1, 581, 662	1, 163	384, 187	168, 977	247, 887	5, 163, 284	22, 373	165, 155	7, 847, 501
1945	(2)	52, 084	125, 178	1, 650, 689	1, 150	788, 283	291, 996	322, 587	22, 867, 459	527, 001	120, 012	26, 746, 438
1950	(2)	40, 772	170, 185	2, 177, 251	1, 145	964, 709	360, 886	320, 781	22, 760, 285	273, 788	86, 488	27, 156, 290
1955	(2)	34, 466	223, 047	2, 169, 726	1, 142	1, 202, 209	432, 512	319, 064	25, 617, 775	162, 573	66, 810	30, 229, 323
1960	(2)	30, 394	305, 083	2, 126, 833	1, 142	1, 484, 033	549, 367	318, 436	27, 093, 693	99, 987	55, 652	32, 064, 619
1961	(2)	29, 803	328, 680	2, 094, 379	1, 142	1, 548, 135	585, 234	318, 338	27, 352, 908	91, 811	54, 262	32, 404, 694
1962	(2)	29, 270	359, 590	2, 009, 073	142	1, 663, 485	629, 423	318, 420	28, 622, 224	84, 835	53, 066	33, 769, 527
1963	(2)	19, 858	411, 489	1, 846, 537	142	1, 789, 924	676, 291	318, 537	30, 291, 625	78, 247	37, 148	35, 469, 798

[1] For description of security required to be held against the various kinds of paper currency, and for retirement provisions, see footnotes to table 61.

[2] Gold Reserve Act of 1934, which was the culmination of gold actions of 1933, vested in the United States title to all gold coin and gold bullion. Gold coin was withdrawn from circulation and formed into bars. Gold coin ($287,000,000) shown on Treasury records as being then outstanding was dropped from monthly circulation statement as of Jan. 31, 1934.

NOTE.—See table 60, note. Figures for earlier years appeared in the following annual reports: 1860–1947 in the 1947 report, page 485; 1948–1949 in the 1956 report, page 543; and 1951–59 in the 1961 report, page 636.

TABLE 63.—*Location of gold, silver bullion at monetary value, and coin held by the Treasury on June 30, 1963*

[In thousands of dollars. On basis of reports received from various Treasury offices and Federal Reserve Banks which take into account those transactions in transit to the Treasurer's Office as of June 30, supplemented by information taken from the Treasurer's accounts. Therefore, the figures shown in this table may differ from figures in other tables prepared on basis of daily Treasury statements]

Location	Gold	Silver bullion at monetary value [1]	Standard silver dollars	Subsidiary silver coin	Minor coin
U.S. mints:					
Denver	2,511,779	9,487	56	181	[2] 438
Philadelphia	2,534	205,009	5,449	15	[2] 420
U.S. assay offices:					
New York [3]	1,074,699	1,219,082	12,610		
San Francisco	322,581	561,102	500	1,760	
Bullion depository, Fort Knox	11,475,808				
Treasurer of United States, Washington	9		47,114	1,119	116
Custody accounts:					
Federal Reserve Bank of New York	[4] 345,886				
Other banks, etc., various locations	14	83,719	32	778	130
Total	15,733,309	2,078,399	65,761	3,854	[5] 1,104

[1] Held to secure silver certificates. Excludes certain silver at monetary value held for coinage.
[2] Includes metals and alloys in process of manufacture into minor coins.
[3] Includes bullion depository at West Point, N.Y.
[4] Physically located as follows: At Bank of Canada, Ottawa, $190,041,851, at Bank of England, London, $42,023,615, at New York Assay Office, $34,877,386, in Federal Reserve Bank's own vaults, $78,943,237.
[5] Minor coin held in the Treasury, $609,982, as shown rounded in table 59, consists of this amount, $1,103,925, less $493,943 payable to vendors of coinage metal.

TABLE 64.—*Paper currency issued and redeemed during the fiscal year 1963 and outstanding June 30, 1963, by classes and denominations*

[For basis of data, see headnote to table 63]

	Issued during 1963	Redeemed during 1963 [1]	Outstanding June 30, 1963		
			In Treasury	In Federal Reserve Banks	In circulation
CLASS					
Gold certificates—Series of 1934				$2,816,055,600	
Silver certificates—issued after June 30, 1929	$1,088,284,000	$1,239,579,560	$10,771,281	296,061,422	$1,831,598,252
U.S. notes	126,143,640	126,143,640	2,973,929	25,169,811	318,537,276
Federal Reserve notes—1928 and subsequent series	8,470,680,000	6,617,478,115	68,790,865	1,672,395,890	30,273,629,490
In process of retirement:					
Federal Reserve Bank notes		6,885,294		254,000	78,246,789
National bank notes		15,921,769		84,910	37,148,408
Gold certificates—prior to 1934 Series		9,441,880	124,380		19,858,029
Federal Reserve notes—prior to 1928 Series		18,145,232			17,995,238
Silver certificates—issued before July 1, 1929		15,009,849			14,939,056
Treasury notes of 1890					141,534
Total	9,685,107,640	8,048,605,339	82,660,455	4,810,021,633	32,592,094,072
DENOMINATION					
$1	1,088,284,000	1,028,385,101	9,871,016	284,250,722	1,566,244,343
$2	12,576,240	9,500,630	838,674	14,432,136	96,601,712
$5	1,436,827,400	1,360,541,827	9,608,215	260,453,945	2,278,872,038
$10	2,674,040,000	2,454,229,581	16,749,750	575,773,880	7,004,311,651
$20	3,014,680,000	2,434,871,900	27,044,900	594,173,300	11,442,088,566
$50	459,400,000	291,555,690	7,589,900	91,395,250	3,029,697,125
$100	955,350,000	427,313,470	8,700,500	131,835,900	6,630,853,650
$500	18,700,000	15,236,500	565,500	12,816,500	243,580,500
$1,000	19,600,000	20,778,500	1,667,000	19,830,000	292,959,000
$5,000	220,000	530,000	5,000	2,390,000	2,685,000
$10,000	5,430,000	5,600,000	20,000	12,070,000	4,200,000
$100,000				2,810,600,000	
Fractional parts		62,140			487
Total	9,685,107,640	8,048,605,339	82,660,455	4,810,021,633	32,592,094,072

[1] Pursuant to legislation enacted on June 30, 1961 (31 U.S.C. 915c), the Secretary of the Treasury determined on Aug. 27, 1962, that $58,000,000 of the following old series currencies had been destroyed or irretrievably lost and would never be presented for redemption: Federal Reserve Bank notes, $1,000,000; national bank notes, $15,000,000; gold certificates prior to Series of 1934, $9,000,000; Federal Reserve notes prior to Series of 1928, $18,000,000; and silver certificates issued before July 1, 1929, $15,000,000.

Trust Funds and Certain Other Accounts of the Federal Government

TABLE 65.—*Holdings of public debt and agency securities by Government agencies and accounts, June 30, 1959–63*

[Par value. In thousands of dollars]

Investments of agencies	1959	1960	1961	1962	1963
GOVERNMENT INVESTMENT ACCOUNTS					
HANDLED BY THE TREASURY[1]					
Major trust funds and accounts:					
Civil Service Commission:					
Employees health benefits fund			12,324	23,499	37,924
Employees' life insurance fund	[2] 101,888	[2] 149,604	[2] 196,625	[2] 247,570	[2] 303,406
Retired employees health benefits fund				1,631	100
Federal Deposit Insurance Corporation	2,158,000	2,291,996	2,439,517	2,593,817	2,754,363
Federal disability insurance trust fund	1,607,200	2,101,160	2,386,452	2,406,992	2,277,967
Unamortized premium or discount[3]	−326	−298	−877	−855	−723
Federal employees' retirement funds:					
Civil service retirement and disability	9,122,980	9,991,227	11,051,014	12,080,760	13,154,721
Foreign service retirement and disability	26,416	29,178	32,180	36,710	37,891
Judicial survivors annuity	1,104	1,346	1,556	1,772	2,012
Federal Housing Administration funds:					
Apartment unit				850	625
Armed services housing mortgage insurance	11,749	13,454	36,285	20,285	27,255
Experimental housing				850	900
Housing insurance	7,068	7,268	7,318	8,068	5,758
Housing investment insurance	897	907	910	915	935
Mutual mortgage insurance	458,851	501,078	556,223	532,766	520,549
National defense housing insurance	2,370	1,495	530	490	830
Section 203 home improvement				850	625
Section 220 home improvement				850	700
Section 220 housing insurance	1,770	2,820	4,300	2,940	3,660
Section 221 housing insurance	1,030	920	100		
Servicemen's mortgage insurance	5,160	8,163	10,413	8,132	8,902
Title I housing insurance	2,070	2,015	2,200	2,045	2,060
Title I insurance	77,189	87,308	103,523	103,678	107,442
War housing insurance	29,222	34,118	35,232	42,118	39,630
Federal old-age and survivors insurance trust fund	20,478,466	19,756,158	19,552,914	18,455,510	17,633,024
Unamortized premium or discount[3]	−4,036	−7,311	−29,398	−20,845	−19,835
Federal Savings and Loan Insurance Corporation	311,000	329,500	363,500	592,500	861,094
Highway trust fund	429,214	1,335	234,034	435,935	677,743
Railroad retirement account	3,573,604	3,837,767	3,759,509	3,696,960	3,697,461
Unemployment trust fund	6,710,565	6,669,557	5,719,956	5,791,982	6,245,191
Unamortized premium or discount[3]	−1,143	−1,043	−3,433	−3,327	−58
Veterans' life insurance funds:					
Government life insurance	1,127,235	1,106,540	1,071,433	1,027,809	1,003,002
National service life insurance	5,741,548	5,803,089	5,759,371	5,803,529	5,713,915
Special term insurance	66,164	84,613	106,280	87,956	100,588
Other trust funds and accounts:					
Ainsworth Library fund, Walter Reed General Hospital	10	10	10	11	11
Bequest of George C. Edgeter, relief of indigent American Indians, Bureau of Indian Affairs	31	31	31	31	31
District of Columbia:					
Fees and other collections, Recreation Board			10	20	20
General funds	32,862	27,862	9,213	9,213	9,213
Highway fund	5,288				3,700
Miscellaneous trust funds	19	34	34	96	115
Motor vehicle parking, highway fund	2,576	2,882	3,378	4,122	2,954
Redevelopment program, Redevelopment Land Agency:					
Public debt securities	5,165	1,361	409	725	
Nonguaranteed securities			5,750	4,365	7,640

Footnotes at end of table.

TABLE 65.—*Holdings of public debt and agency securities by Government agencies and accounts, June 30, 1959–63*—Continued

[Par value. In thousands of dollars]

Investments of agencies	1959	1960	1961	1962	1963
GOVERNMENT INVESTMENT ACCOUNTS—Continued					
HANDLED BY THE TREASURY[1]—Con.					
Other trust funds and accounts—Con.					
District of Columbia—Continued					
Sanitary sewage works fund	729	----------	2,429	----------	----------
Stadium fund, Armory Board	----------	12	10,140	590	150
Teachers' retirement and annuity fund	32,792	34,793	37,088	39,970	43,326
Welfare funds	15	15	10	10	----------
Exchange Stabilization Fund	87,120	60,000	46,000	72,250	153,147
Federal ship mortgage insurance escrow fund, maritime activities	----------	45,916	35,232	8,822	13,618
Federal ship mortgage insurance fund, revolving fund	----------	----------	----------	----------	3,543
General post fund, Veterans' Administration	1,064	1,086	1,288	1,597	1,835
Library of Congress trust funds	16	----------	----------	----------	----------
Longshoremen's and Harbor Workers' Compensation Act, relief and rehabilitation	730	690	588	588	466
Merchant marine memorial chapel fund	509	----------	----------	----------	----------
National Archives trust fund	102	102	102	102	102
National Capital Housing Authority	4,027	1,452	1,031	1,761	3,861
National park trust fund	21	21	21	69	73
Navajo and Ute Mountain Ute Indians, New Mexico	100	100	200	356	436
Office of Naval Records and History fund	100	100	153	153	153
Pershing Hall Memorial fund	211	211	211	211	211
Philippine Government pre-1934 bond account	5,068	1,844	1,571	916	919
Preservation of Birthplace of Abraham Lincoln, National Park Service	63	64	64	64	64
Public Health Service:					
Gift funds	71	141	166	176	166
Patients' benefit fund, Public Health Service hospitals	7	7	7	6	5
Saint Elizabeths Hospital unconditional gift fund	----------	----------	1	1	1
Tennessee Valley Authority	----------	51,289	28,500	10,000	----------
U.S. Department of the Air Force—general gift fund	----------	5	5	6	6
U.S. Department of the Army—general gift fund	22	22	31	31	205
U.S. Naval Academy—general gift fund	109	109	109	109	109
U.S. Naval Academy—museum fund	1	1	1	1	1
War risk insurance revolving fund	----------	----------	----------	----------	3,153
Workmen's Compensation Act within the District of Columbia, relief and rehabilitation	110	110	126	126	126
HANDLED BY THE AGENCIES					
Banks for cooperatives	42,963	42,963	45,990	43,000	43,051
District of Columbia: Miscellaneous trust funds	133	118	116	117	102
Farmers Home Administration, State rural rehabilitation funds	2,816	2,173	856	1,083	1,634
Federal home loan banks	1,065,040	1,167,070	1,454,060	1,332,065	1,944,000
Federal Housing Administration, mutual mortgage insurance fund:					
Guaranteed securities	6,493	6,493	6,493	6,493	47,815
Federal intermediate credit banks	104,535	106,313	107,800	110,603	111,384
Federal land banks	109,635	110,635	105,800	103,600	101,667

Footnotes at end of table.

TABLE 65.—*Holdings of public debt and agency securities by Government agencies and accounts, June 30, 1959–63*—Continued

[Par value. In thousands of dollars]

Investments of agencies	1959	1960	1961	1962	1963
GOVERNMENT INVESTMENT ACCOUNTS—Continued					
HANDLED BY THE AGENCIES—Con.					
Federal National Mortgage Association:					
Public debt securities:					
Secondary market operations					91,500
Guaranteed securities:					
Management and liquidating functions	56,558	70,014	69,008	84,124	79,233
Secondary market operations	27	494	746	38,673	23,250
Special assistance functions	8	1,915	10,448	37,424	14,980
Nonguaranteed securities:					
Secondary market operations					59,570
Housing and Home Finance Administrator liquidating programs:					
Guaranteed securities				4	
Merchant marine memorial chapel fund	33	33			
Tennessee Valley Authority:					
Nonguaranteed securities			10,700		
Workmen's Compensation Act within the District of Columbia, relief and rehabilitation		15			
Total	53,614,434	54,542,471	55,405,917	55,898,425	57,967,204
OTHER ACCOUNTS					
HANDLED BY THE TREASURY					
Alien property trust fund	615	570	570	569	544
Canal Zone Postal Savings System [4]	6,050	5,350	5,050	4,750	4,400
Central hospital fund, U.S. Army, Office of The Surgeon General	2,075	1,945	1,945	1,945	1,945
Comptroller of the Currency	5,335	5,085	4,749	4,548	6,742
Individual Indian money deposit fund [4]	42,365	40,410	38,128	36,162	35,971
U.S. Department of the Air Force—cadet fund [4]		1	1		
U.S. Postal Savings System	1,052,703	845,703	720,703	599,017	502,866
HANDLED BY THE AGENCIES					
General Services Administration, Public Works Administration (in liquidation)				497	887
Panama Canal Company	25	25	25		
Total	1,109,169	899,088	771,170	647,488	553,355
Grand total	[r] 54,723,602	[r] 55,441,560	[5] [r] 56,177,087	[5] [r] 56,545,913	[5] 58,520,558

[r] Revised.
[1] For further details of these accounts, see tables 66 through 82.
[2] Includes Series F and J savings bonds at current redemption value.
[3] Includes accrued interest purchased.
[4] Handled as Government investment accounts for the fiscal years 1959–61.
[5] Excludes securities in the amounts of $19,247,000, $19,239,000, and $17,757,000 held by the Atomic Energy Commission as of June 30, 1961, 1962, and 1963, respectively, which in turn are held by trustees for the protection of certain contractors against financial loss in event of a catastrophe.

NOTE.—For comparable data 1939–49, see 1949 annual report, p. 492–493, and for 1950–58, see 1958 annua report, p. 586–589.

I.—Trust funds

TABLE 66.—*Civil service retirement and disability fund, June 30, 1963*

[On basis of daily Treasury statements prior to June 30, 1953, thereafter on basis of the "Monthly Statement of Receipts and Expenditures of the United States Government." This trust fund was established in accordance with the provisions of the act of May 22, 1920, as amended (5 U.S.C. 2267). For further details see annual report of the Secretary for 1941, p. 136]

I. RECEIPTS AND EXPENDITURES (EXCLUDING INVESTMENT TRANSACTIONS)

	Cumulative through June 30, 1962	Fiscal year 1963	Cumulative through June 30, 1963
Receipts:			
Deductions from salaries, service credit payments, and voluntary contributions of employees subject to retirement act [1]	$10,179,212,742.13	$933,943,173.31	$11,113,155,915.44
Federal contributions [2]	4,232,352,923.21	30,000,000.00	4,262,352,923.21
Payments by employing agencies [2]	3,777,417,668.87	920,852,817.61	4,698,270,486.48
Interest and profits on investments	3,644,496,131.75	362,259,016.94	4,006,755,148.69
Transfer from the Comptroller of the Currency retirement fund [3]	5,050,000.00		5,050,000.00
Total receipts	21,838,529,465.96	2,247,055,007.86	24,085,584,473.82
Expenditures:			
Annuity payments, refunds, etc	9,661,724,948.66	1,175,859,033.44	10,837,583,982.10
Transfers to policemen's and firemen's relief fund, D.C., deductions and accrued interest thereon	213,676.84	27,926.76	241,603.60
Total expenditures	9,661,938,625.50	1,175,886,960.20	10,837,825,585.70
Balance	12,176,590,840.46	1,071,168,047.66	13,247,758,888.12

II. ASSETS HELD BY THE TREASURY DEPARTMENT

Assets	June 30, 1962	Fiscal year 1963, increase, or decrease (−)	June 30, 1963
Investments in public debt securities:			
Special issues, civil service retirement fund series maturing June 30:			
Treasury certificates of indebtedness:			
3¾% of 1963	$210,441,000.00	−$210,441,000.00	
3⅞% of 1964		80,248,000.00	$80,248,000.00
Treasury notes:			
2½% of 1963	200,000,000.00	−200,000,000.00	
2⅝% of 1963	230,527,000.00	−230,527,000.00	
2⅞% of 1963	69,913,000.00	−69,913,000.00	
2⅝% of 1964	230,527,000.00		230,527,000.00
2⅞% of 1964	69,913,000.00		69,913,000.00
3¾% of 1964	60,976,000.00		60,976,000.00
2⅝% of 1965	51,316,000.00		51,316,000.00
2⅞% of 1965	69,913,000.00		69,913,000.00
3¾% of 1965	60,976,000.00		60,976,000.00
3⅞% of 1965		80,227,000.00	80,227,000.00
2⅞% of 1966	69,913,000.00		69,913,000.00
3¾% of 1966	60,976,000.00		60,976,000.00
3⅞% of 1966		80,227,000.00	80,227,000.00
3¾% of 1967	60,976,000.00		60,976,000.00
3⅞% of 1967		80,227,000.00	80,227,000.00
3⅞% of 1968		80,227,000.00	80,227,000.00
Treasury bonds:			
2½% of 1963	185,000,000.00	−185,000,000.00	
2½% of 1964	385,000,000.00		385,000,000.00
2½% of 1965	385,000,000.00		385,000.000.00
2⅝% of 1965	179,211,000.00		179,211,000.00
2½% of 1966	385,000,000.00		385,000,000.00
2⅝% of 1966	230,527,000.00		230,527,000.00
2½% of 1967	385,000,000.00		385,000,000.00
2⅝% of 1967	230,527,000.00		230,527,000.00
2⅞% of 1967	69,913,000.00		69,913,000.00
2½% of 1968	200,000,000.00		200,000,000.00
2⅝% of 1968	415,527,000.00		415,527,000.00
2⅞% of 1968	69,913,000.00		69,913,000.00
3¾% of 1968	60,976,000.00		60,976,000.00
2⅝% of 1969	615,527,000.00		615,527,000.00
2⅞% of 1969	69,913,000.00		69,913,000.00
3¾% of 1969	60,976,000.00		60,976,000.00
3⅞% of 1969		80,227,000.00	80,227,000.00
2⅝% of 1970	615,527,000.00		615,527,000.00
2⅞% of 1970	69,913,000.00		69,913,000.00
3¾% of 1970	60,976,000.00		60,976,000.00

Footnotes at end of table.

TABLE 66.—*Civil service retirement and disability fund, June 30, 1963*—Continued

II. ASSETS HELD BY THE TREASURY DEPARTMENT—Continued

Assets	June 30, 1962	Fiscal year 1963, increase, or decrease (−)	June 30, 1963
Investments in public debt securities—Con.			
Special issues, civil service retirement fund series maturing June 30—Con.			
Treasury bonds—Continued			
3⅞% of 1970		$80,227,000.00	$80,227,000.00
2⅝% of 1971	$615,527,000.00		615,527,000.00
2⅞% of 1971	69,913,000.00		69,913,000.00
3¾% of 1971	60,976,000.00		60,976,000.00
3⅞% of 1971		80,227,000.00	80,227,000.00
2⅝% of 1972	615,527,000.00	−382,841,000.00	232,686,000.00
2⅞% of 1972	69,913,000.00	−69,913,000.00	
3¾% of 1972	60,976,000.00		60,976,000.00
3⅞% of 1972		532,981,000.00	532,981,000.00
2⅝% of 1973	615,527,000.00		615,527,000.00
2⅞% of 1973	69,913,000.00	−23,221,000.00	46,692,000.00
3¾% of 1973	60,976,000.00		60,976,000.00
3⅞% of 1973		103,448,000.00	103,448,000.00
2⅝% of 1974	615,527,000.00		615,527,000.00
2⅞% of 1974	69,913,000.00		69,913,000.00
3¾% of 1974	60,976,000.00		60,976,000.00
3⅞% of 1974		80,227,000.00	80,227,000.00
2⅝% of 1975	615,527,000.00		615,527,000.00
2⅞% of 1975	69,913,000.00		69,913,000.00
3¾% of 1975	60,976,000.00		60,976,000.00
3⅞% of 1975		80,227,000.00	80,227,000.00
2⅞% of 1976	685,440,000.00		685,440,000.00
3¾% of 1976	60,976,000.00		60,976,000.00
3⅞% of 1976		80,227,000.00	80,227,000.00
3¾% of 1977	746,416,000.00		746,416,000.00
3⅞% of 1977		80,227,000.00	80,227,000.00
3⅞% of 1978		826,643,000.00	826,643,000.00
Total special issues	11,345,705,000.00	1,053,961,000.00	12,399,666,000.00
Public issues:			
Treasury notes:			
4⅞%, Series C–1963	23,500,000.00		23,500,000.00
3¼%, Series D–1963	25,000,000.00	−25,000,000.00	
4¾%, Series A–1964	10,550,000.00		10,550,000.00
5%, Series B–1964	19,937,000.00		19,937,000.00
4⅞%, Series C–1964	15,050,000.00		15,050,000.00
4⅝%, Series A–1965	3,700,000.00		3,700,000.00
Treasury bonds:			
2½% of 1964–69 (Apr. 15, 1943)	10,000,000.00		10,000,000.00
2½% of 1964–69 (Sept. 15, 1943)	16,400,000.00		16,400,000.00
3% of 1966	25,000,000.00	−25,000,000.00	
3⅝% of 1967	48,400,000.00		48,400,000.00
3⅞% of 1968	11,400,000.00		11,400,000.00
3¾% of 1968	2,800,000.00		2,800,000.00
4% of 1969 (Aug. 15, 1962)		10,000,000.00	10,000,000.00
4% of 1969 (Oct. 1, 1957)	59,400,000.00		59,400,000.00
4% of 1972		25,000,000.00	25,000,000.00
3⅞% of 1974	46,650,000.00		46,650,000.00
4¼% of 1975–85	32,500,000.00		32,500,000.00
3¼% of 1978–83	5,600,000.00		5,600,000.00
3½% of 1980	9,000,000.00		9,000,000.00
4% of 1980	70,394,000.00	25,000,000.00	95,394,000.00
3¼% of 1985	77,900,000.00		77,900,000.00
4¼% of 1987–92		10,000,000.00	10,000,000.00
3½% of 1990	83,400,000.00		83,400,000.00
3% of 1995	55,205,000.00		55,205,000.00
3½% of 1998	83,269,000.00		83,269,000.00
Total public issues	735,055,000.00	20,000,000.00	755,055,000.00
Total investments	12,080,760,000.00	1,073,961,000.00	13,154,721,000.00
Undisbursed balance	95,830,840.46	−2,792,952.34	93,037,888.12
Total assets	12,176,590,840.46	1,071,168,047.66	13,247,758,888.12

[1] Basic compensation deductions were at the rate of 2½ percent from Aug. 1, 1920, to June 30, 1926; 3½ percent from July 1, 1926, to June 30, 1942; 5 percent from July 1, 1942, to the day before the first pay period which began after June 30, 1948; 6 percent thereafter to the day before the first pay period which began after Sept. 30, 1956; and 6½ percent thereafter. Also includes District of Columbia and Government corporations' contributions through 1957. Beginning with 1958 they are included with contributions from agency salary funds.

[2] Beginning July 1, 1957, appropriations are not made directly to the fund. Instead, in accordance with the act approved July 31, 1956 (5 U.S.C. 2254(a)), the employing agency contributes (from appropriations or funds from which the salaries are paid) amounts equal to the deductions from employees' salaries.

[3] The act of June 30, 1948, as amended (5 U.S.C. 2259 note), abolished the separate retirement fund for employees of the Office of the Comptroller of the Currency and directed transfer of its assets to the civil service retirement and disability fund. Amount comprises cash derived from sale of securities.

TABLE 67.—*District of Columbia teachers' retirement and annuity fund, June 30, 1963*

[This fund was established in accordance with the provisions of the act of Aug. 7, 1946 (31 D.C.C. 702, 707 772), as successor to the District of Columbia teachers' retirement fund established under the act of Jan. 15, 1920, as amended, effecting the consolidation of the deductions fund and the Government reserve fund as of July 1, 1945]

I. RECEIPTS AND EXPENDITURES (EXCLUDING INVESTMENT TRANSACTIONS)

	Cumulative through June 30, 1962	Fiscal year 1963	Cumulative through June 30, 1963
Receipts:			
Deductions from salaries	$25,149,384.76	$1,945,832.15	$27,095,216.91
Voluntary contributions	185,265.55	3,775.00	189,040.55
Interest and profits on investments	16,067,063.08	1,364,836.18	17,431,899.26
Appropriations from District of Columbia revenues	49,711,472.84	5,745,200.00	55,456,672.84
Total receipts	91,113,186.23	9,059,643.33	100,172,829.56
Expenditures:			
Annuities, refunds, etc	50,785,242.40	5,807,665.73	56,592,908.13
Balance	40,327,943.83	3,251,977.60	43,579,921.43

II. ASSETS HELD BY THE TREASURY DEPARTMENT

Assets	June 30, 1962	Fiscal year 1963, increase, or decrease (−)	June 30, 1963
Investment in public debt securities:			
Public issues:			
Treasury notes:			
4¾%, Series A-1964	$2,617,000.00		$2,617,000.00
4⅝%, Series A-1965	200,000.00		200,000.00
4%, Series A-1966	475,000.00		475,000.00
Treasury bonds:			
2½% of 1965-70	1,000,000.00		1,000,000.00
2½% of 1966-71	1,000,000.00		1,000,000.00
3⅜% of 1966	856,500.00	−$856,500.00	
2½% of 1967-72 (dated June 1, 1945)	1,247,500.00		1,247,500.00
3⅞% of 1968	1,056,500.00		1,056,500.00
3⅞% of 1971		3,256,000.00	3,256,000.00
3⅞% of 1974	2,388,500.00		2,388,500.00
4¼% of 1975-85	1,000,000.00		1,000,000.00
3¼% of 1978-83	1,777,500.00		1,777,500.00
4% of 1980	100,000.00	856,500.00	956,500.00
3¼% of 1985	1,077,500.00		1,077,500.00
3½% of 1990	3,000,000.00		3,000,000.00
3% of 1995	3,599,500.00		3,599,500.00
3½% of 1998	4,000,000.00	100,000.00	4,100,000.00
2½% Investment Series A-1965	250,000.00		250,000.00
2¾% Investment Series B-1975-80	14,325,000.00		14,325,000.00
Total investments	39,970,500.00	3,356,000.00	43,326,500.00
Undisbursed balance	357,443.83	−104,022.40	253,421.43
Total assets	40,327,943.83	3,251,977.60	43,579,921.43

TABLE 68.—*Employees health benefits fund, Civil Service Commission, June 30, 1963*

[On basis of reports from the Civil Service Commission. This trust revolving fund was established in accordance with the provisions of the act of September 28, 1959, as amended (5 U.S.C. 3007)]

I. RECEIPTS AND EXPENDITURES (EXCLUDING INVESTMENT TRANSACTIONS)

	Cumulative through June 30, 1962	Fiscal year 1963	Cumulative through June 30, 1963
Receipts:			
Direct appropriations [1]	$5,377,000.00	$6,789,000.00	$12,166,000.00
Employees' and annuitants' withholdings [2]	399,506,981.59	234,529,646.64	634,036,628.23
Agency contributions [3]	232,980,328.60	129,600,208.27	362,580,536.87
Interest and profits on investments	616,903.59	928,652.10	1,545,555.69
Total receipts	638,481,213.78	371,847,507.01	1,010,328,720.79
Expenditures:			
Subscription charges paid to carriers	602,827,467.47	358,785,093.68	961,612,561.15
Return of contingency reserve by carrier	−253,285.51		−253,285.51
Administrative expenses	2,728,527.79	815,421.09	3,543,948.88
Interest on administrative expenses paid by employees' life insurance fund [4]	43,625.79		43,625.79
Other [5]	−943,089.86	−79,193.75	−1,022,283.61
Total expenditures	604,403,245.68	359,521,321.02	963,924,566.70
Balance	34,077,968.10	12,326,185.99	46,404,154.09

II. ASSETS HELD BY THE TREASURY DEPARTMENT

Assets	June 30, 1962	Fiscal year 1963, increase, or decrease (−)	June 30, 1963
Investments in public debt securities:			
Public issues:			
Treasury bills	$3,000,000.00		$3,000,000.00
Treasury notes:			
3¾%, Series C-1962	742,000.00	−$742,000.00	
3¾%, Series D-1964	1,000,000.00		1,000,000.00
4%, Series A-1966	599,000.00		599,000.00
Treasury bonds:			
2½% of 1964–69 (dated Apr. 15, 1943)	875,000.00		875,000.00
3¾% of 1966	1,751,000.00		1,751,000.00
3⅝% of 1967	1,004,000.00	694,000.00	1,698,000.00
3⅞% of 1968	1,000,000.00		1,000,000.00
3¾% of 1968	700,000.00	598,000.00	1,298,000.00
4% of 1969 (dated Oct. 1, 1957)	1,000,000.00		1,000,000.00
3⅞% of 1971	474,500.00	5,329,500.00	5,804,000.00
4% of 1971	1,301,500.00	2,430,500.00	3,732,000.00
4% of 1972 (dated Sept. 15, 1962)		4,410,500.00	4,410,500.00
4% of 1972 (dated Nov. 15, 1962)		963,000.00	963,000.00
3⅞% of 1974	3,043,500.00	742,000.00	3,785,500.00
3¼% of 1978–83	190,000.00		190,000.00
3½% of 1980	738,000.00		738,000.00
3½% of 1990	2,130,500.00		2,130,500.00
3½% of 1998	3,950,000.00		3,950,000.00
Total investments	23,499,000.00	14,425,500.00	37,924,500.00
Undisbursed balance	10,578,968.10	−2,099,314.01	8,479,654.09
Total assets	34,077,968.10	12,326,185.99	46,404,154.09

[1] Government payments from annual appropriation for annuitants authorized by section 7(c) of the act (5 U.S.C. 3006(c)).

[2] As provided in the act (5 U.S.C. 3006(a), (4)) "There shall be withheld from * * * each enrolled employee * * * or annuitant so much as is necessary after deducting the contribution of the Government, to pay the total charge for his enrollment."

[3] As provided in the act (5 U.S.C. 3006(a) 1–3), "* * * the Government contribution for health benefits * * * shall be 50 per centum of the lowest rates charged by a carrier * * * but (A) not less than $1.25 or more than $1.75 biweekly * * * for self alone, (B) not less than $3 or more than $4.25 biweekly * * * for self and family * * *, and (C) not less than $1.75 or more than $2.50 biweekly for a female employee * * * for self and family including a nondependent husband." Or if "the biweekly subscription charge is less than $2.50 * * * for self alone or $6 * * * for self and family, the contribution of the Government shall be 50 per centum of such subscription charge, except that if a nondependent husband is a member of the family of a female employee * * * enrolled for herself and family the contribution * * * shall be 30 per centum of such subscription charge." Also "There shall be contributed * * * amounts (in the same ratio * * *) which are necessary for the administrative costs and the reserves provided for * * *." (See footnote 1.)

[4] As provided in the act (5 U.S.C. 3008(a)).

[5] Difference between cost and face value of investments.

TABLE 69.—*Retired employees health benefits fund, Civil Service Commission, June 30, 1963*

On basis of reports from the Civil Service Commission. This trust revolving fund was established in accordance with the provisions of the act of September 8, 1960 (5 U.S.C. 3057)]

I. RECEIPTS AND EXPENDITURES (EXCLUDING INVESTMENT TRANSACTIONS)

	Cumulative through June 30, 1962	Fiscal year 1963	Cumulative through June 30, 1963
Receipts:			
Direct appropriations (Government contribution [1])	$15,425,000.00	$13,200,000.00	$28,625,000.00
Annuitants withholdings [2]	12,697,971.84	12,324,682.10	25,022,653.94
Interest and profits on investments	736.26	4,000.00	4,736.26
Total receipts	28,123,708.10	25,528,682.10	53,652,390.20
Expenditures:			
Subscription charges paid to carrier	19,663,273.00	19,191,622.37	38,854,895.37
Government contributions paid to annuitants [3]	6,023,335.81	6,067,952.45	12,091,288.26
Administrative expenses	847,012.36	228,707.19	1,075,719.55
Interest on loans	6,409.00		6,409.00
Other [4]	−129,846.56	−102,363.75	−232,210.31
Total expenditures	26,410,183.61	25,385,918.26	51,796,101.87
Balance	1,713,524.49	142,763.84	1,856,288.33

II. ASSETS HELD BY THE TREASURY DEPARTMENT

Assets	June 30, 1962	Fiscal year 1963, increase, or decrease (−)	June 30, 1963
Investments in public debt securities:			
Public issues:			
Treasury bills	$1,531,000.00	−$1,531,000.00	
Treasury bonds, 4% of 1969	100,000.00		$100,000.00
Total investments	1,631,000.00	−1,531,000.00	100,000.00
Undisbursed balance	82,524.49	1,673,763.84	1,756,288.33
Total assets	1,713,524.49	142,763.84	1,856,288.33

[1] As provided in the act (5 U.S.C. 3053) "the Government shall contribute * * * such amounts as the Commission by regulation may * * * prescribe. The amount so prescribed, if the employee is enrolled for self only, shall not be less than $3.00 monthly or more than $4.00 monthly. The amount to be prescribed * * * for self and family shall be twice the contribution for one enrolled for self only. * * * In addition, the Government shall contribute * * * up to 2 per centum of each contribution authorized * * * for payment of expenses * * * in administering this chapter."

[2] As provided in the act (5 U.S.C. 3054) "There shall be withheld from the annuity or compensation * * * so much as is necessary, after deducting the contribution of the Government, to pay the total charge for his enrollment."

[3] In accordance with 5 U.S.C. 3055(a), subject to specified restrictions, a retired employee who elects to obtain or retain a health benefits plan other than the uniform Government-wide health benefits plan directly with a carrier, shall be paid a Government contribution toward the cost of his plan which shall be equal in amount to the appropriate Government contribution (see footnote 2).

[4] Difference between cost and face value of investments.

TABLE 70.—*Employees' life insurance fund, Civil Service Commission, June 30, 1963*

[On basis of reports from the Civil Service Commission. This trust revolving fund was established in accordance with the provisions of the act of August 17, 1954, as amended (5 U.S.C. 2091(c))]

I. RECEIPTS AND EXPENDITURES (EXCLUDING INVESTMENT TRANSACTIONS)

	Cumulative through June 30, 1962	Fiscal year 1963	Cumulative through June 30, 1963
Receipts:			
Employees' withholdings [1]	$594,477,549.93	$98,470,140.69	$692,947,690.62
Government contributions [1]	297,243,840.39	49,234,532.78	346,478,373.17
Premiums collected from beneficial association members	16,760,426.71	3,284,937.81	20,045,364.52
Interest and profits on investments	18,112,856.01	9,468,398.59	27,581,254.60
Other	3,666.09		3,666.09
Assets acquired from beneficial associations:			
United States securities [2]	13,853,877.40	17,465.20	13,871,342.60
Other	7,631,471.75	129,206.64	7,760,678.39
Total receipts	948,083,688.28	160,604,681.71	1,108,688,369.99
Expenditures:			
Premiums paid to insurance companies:			
For Federal employees generally	871,982,994.23	146,757,251.14	1,018,740,245.37
Less return of premiums paid	209,442,481.58	[3] 21,157,239.19	230,599,720.77
For beneficial association members	26,292,909.41	5,252,081.74	31,544,991.15
Less return of premiums paid	5,596,143.98	[4] 15,548.97	5,611,692.95
Administrative expenses	1,436,633.25	251,054.47	1,687,687.72
Other	−11,022,500.20	[5] −2,722,349.03	−13,744,849.23
Total expenditures	673,651,411.13	128,365,250.16	802,016,661.29
Balance	274,432,277.15	32,239,431.55	306,671,708.70

Footnotes at end of table.

TABLE 70.—*Employees' life insurance fund, Civil Service Commission, June 30, 1963*—Continued

II. ASSETS HELD BY THE TREASURY DEPARTMENT

Assets	June 30, 1962	Fiscal year 1963, increase, or decrease (—)	June 30, 1963
Investments in public debt securities:			
Public issues:			
Treasury bills	$7,500,000.00	—$3,500,000.00	$4,000,000.00
Treasury notes:			
3¾%, Series C-1962	5,783,000.00	—5,783,000.00	
4⅞%, Series C-1963	10,000,000.00		10,000,000.00
3¼%, Series D-1963	10,000,000.00	—10,000,000.00	
4¾%, Series A-1964	15,000,000.00		15,000,000.00
4⅝%, Series A-1965	5,086,000.00		5,086,000.00
4%, Series A-1966	17,165,000.00		17,165,000.00
Treasury bonds:			
2½% of 1962-67	15,015,000.00		15,015,000.00
2½% of 1963-68	3,000,000.00		3,000,000.00
2½% of 1964-69 (dated April 15, 1943)	5,500,000.00		5,500,000.00
2½% of 1964-69 (dated Sept. 15, 1943)	5,000,000.00		5,000,000.00
3¾% of 1966	5,000,000.00		5,000,000.00
3% of 1966	15,227,500.00	—15,227,500.00	
3⅜% of 1966	6,783,000.00	—6,783,000.00	
2½% of 1966-71	3,864,500.00		3,864,500.00
3⅝% of 1967	5,000,000.00		5,000,000.00
3⅞% of 1968	22,105,000.00		22,105,000.00
3¾% of 1968	1,500,000.00		1,500,000.00
4% of 1969	15,330,000.00		15,330,000.00
3⅞% of 1971	2,806,500.00		2,806,500.00
4% of 1971	15,000,000.00		15,000,000.00
4% of 1972 (dated Sept. 15, 1962)		10,000,000.00	10,000,000.00
4% of 1972 (dated Nov. 15, 1962)		5,783,000.00	5,783,000.00
3⅞% of 1974	10,300,000.00	9,920,000.00	20,220,000.00
3¼% of 1978-83	1,340,000.00	4,990,500.00	6,330,500.00
3½% of 1980	1,069,500.00	8,371,500.00	9,441,000.00
4% of 1980	8,763,000.00	31,179,500.00	39,942,500.00
3¼% of 1985	436,500.00	500,000.00	936,500.00
4% of 1988-93		12,897,000.00	12,897,000.00
3½% of 1990	16,760,500.00	8,515,500.00	25,276,000.00
3% of 1995	135,500.00		135,500.00
3½% of 1998	16,358,500.00	5,000,000.00	21,358,500.00
2¾% Investment Series B-1975-80	179,000.00		179,000.00
U.S. savings bonds:			
Series F (2.53%)	43,290.00	—43,290.00	
Series J (2.76%)	503,881.00	16,025.20	519,906.20
Series K (2.76%)	15,000.00		15,000.00
Total investments	247,570,171.00	55,836,235.20	303,406,406.20
Undisbursed balance	26,862,106.15	—23,596,803.65	3,265,302.50
Total assets	274,432,277.15	32,239,431.55	306,671,708.70

[1] As provided in the act (5 U.S.C. 2094(a)), "* * * there shall be withheld from each salary payment of such employee, * * * not to exceed the rate of 25 cents biweekly for each $1,000 of his group life insurance * * *"; and in 5 U.S.C. 2094(b) "* * * there shall be contributed from the respective appropriation or fund * * * not to exceed one-half the amount withheld from the employee * * *."

[2] Includes Series F and J bonds at current redemption value. Amount for the fiscal year 1963 is accrued increment.

[3] Premium payments in excess of the $100 million contingency reserve set by the Civil Service Commission, which are required to be returned to the fund by the insuring companies (5 U.S.C. 2097(d)).

[4] Return of premium payments in excess of annual claims paid, expenses, and other costs.

[5] Includes the difference between cost and face value of investments amounting to —$2,722,349.03.

TABLE 71.—*Federal disability insurance trust fund, June 30, 1963*

[This trust fund was established in accordance with the provisions of the Social Security Act amendments approved August 1, 1956 (42 U.S.C. 401(b))]

I. RECEIPTS AND EXPENDITURES (EXCLUDING INVESTMENT TRANSACTIONS)

	Cumulative through June 30, 1962	Fiscal year 1963	Cumulative through June 30, 1963
Receipts:			
Appropriations [1]	$4,899,763,042.37	$1,006,337,625.26	$5,906,100,667.63
Less refund of internal revenue collections	−40,907,500.00	−11,575,000.00	−52,482,500.00
Deposits by States	329,688,798.29	81,858,483.77	411,547,282.06
Interest and profits on investments	230,306,393.17	69,635,323.75	299,941,716.92
Payments from railroad retirement account	26,831,000.00		26,831,000.00
Total receipts	5,445,681,733.83	1,146,256,432.78	6,591,938,166.61
Expenditures:			
Benefit payments	2,751,325,537.78	1,170,678,397.64	3,922,003,935.42
To railroad retirement account	16,178,000.00	19,609,000.00	35,787,000.00
Administrative expenses:			
To general fund	18,068,586.44	3,577,372.97	21,645,959.41
To Federal old-age and survivors insurance trust fund	153,440,060.00	[2] 65,349,370.00	218,789,430.00
Total expenditures	2,939,012,184.22	1,259,214,140.61	4,198,226,324.83
Balance	2,506,669,549.61	−112,957,707.83	2,393,711,841.78

II. ASSETS HELD BY THE TREASURY DEPARTMENT

Assets	June 30, 1962	Fiscal year 1963, increase, or decrease (—)	June 30, 1963
Investments in public debt securities:			
Special issues, Federal disability insurance trust fund series maturing June 30:			
Treasury certificates of indebtedness:			
3¾% of 1963	$1,361,000.00	—$1,361,000.00	
3⅞% of 1964		5,706,000.00	$5,706,000.00
Treasury notes:			
2½% of 1963	30,000,000.00	—30,000,000.00	
2⅝% of 1963	95,394,000.00	—95,394,000.00	
3¾% of 1963	19,389,000.00	—19,389,000.00	
2⅝% of 1964	95,394,000.00	—95,394,000.00	
3¾% of 1964	20,738,000.00	—11,825,000.00	8,913,000.00
2⅝% of 1965	32,394,000.00		32,394,000.00
3¾% of 1965	20,738,000.00		20,738,000.00
3¾% of 1966	20,738,000.00		20,738,000.00
3¾% of 1967	1,349,000.00		1,349,000.00
Treasury bonds:			
2½% of 1963	7,500,000.00	—7,500,000.00	
2½% of 1964	37,500,000.00	—37,500,000.00	
2½% of 1965	37,500,000.00		37,500,000.00
2⅝% of 1965	63,000,000.00		63,000,000.00
2½% of 1966	37,500,000.00		37,500,000.00
2⅝% of 1966	95,394,000.00		95,394,000.00
2½% of 1967	37,500,000.00		37,500,000.00
2⅝% of 1967	95,394,000.00		95,394,000.00
3¾% of 1967	19,389,000.00		19,389,000.00
2½% of 1968	30,000,000.00		30,000,000.00
2⅝% of 1968	102,894,000.00		102,894,000.00
3¾% of 1968	20,738,000.00		20,738,000.00
2⅝% of 1969	132,894,000.00		132,894,000.00
3¾% of 1969	20,738,000.00		20,738,000.00
2⅝% of 1970	132,894,000.00		132,894,000.00
3¾% of 1970	20,738,000.00		20,738,000.00
2⅝% of 1971	132,894,000.00		132,894,000.00
3¾% of 1971	20,738,000.00		20,738,000.00
2⅝% of 1972	132,894,000.00		132,894,000.00
3¾% of 1972	20,738,000.00		20,738,000.00
2⅝% of 1973	132,894,000.00		132,894,000.00

Footnotes at end of table.

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TABLE 71.—*Federal disability insurance trust fund, June 30, 1963*—Continued

II. ASSETS HELD BY THE TREASURY DEPARTMENT—Continued

Assets	June 30, 1962	Fiscal year 1963 increase, or decrease (—)	June 30, 1963
Investments in public debt securities—Con.			
Special issues, Federal disability insurance trust fund series maturing June 30—Continued			
Treasury bonds—Continued			
3¾% of 1973	$20,738,000.00		$20,738,000.00
2⅝% of 1974	132,894,000.00		132,894,000.00
3¾% of 1974	20,738,000.00		20,738,000.00
2⅝% of 1975	132,894,000.00		132,894,000.00
3¾% of 1975	20,738,000.00		20,738,000.00
3¾% of 1976	153,632,000.00		153,632,000.00
3¾% of 1977	153,632,000.00		153,632,000.00
3⅞% of 1978		$153,632,000.00	153,632,000.00
Total special issues	2,304,492,000.00	—139,025,000.00	2,165,467,000.00
Public issues:			
Treasury notes:			
4⅞%, Series C-1963	5,000,000.00		5,000,000.00
5%, Series B-1964	5,000,000.00		5,000,000.00
Treasury bonds:			
3% of 1966	10,000,000.00	—10,000,000.00	
3⅝% of 1967	10,000,000.00		10,000,000.00
3⅞% of 1968	3,750,000.00		3,750,000.00
3¾% of 1968	5,000,000.00		5,000,000.00
4% of 1969 (dated Aug. 15, 1962)		5,000,000.00	5,000,000.00
4% of 1969 (dated Oct. 1, 1957)	21,000,000.00		21,000,000.00
3⅞% of 1974	5,000,000.00		5,000,000.00
4¼% of 1975-85	5,000,000.00		5,000,000.00
4% of 1980	20,250,000.00	10,000,000.00	30,250,000.00
4¼% of 1987-92		5,000,000.00	5,000,000.00
3½% of 1990	7,500,000.00		7,500,000.00
3½% of 1998	5,000,000.00		5,000,000.00
Total public issues	102,500,000.00	10,000,000.00	112,500,000.00
Total investments—par value	2,406,992,000.00	—129,025,000.00	2,277,967,000.00
Unamortized discount and premium on investments (net)	—882,992.23	128,784.98	—754,207.25
Accrued interest purchased	28,232.02	2,707.18	30,939.20
Total investments—book value	2,406,137,239.79	—128,893,507.84	2,277,243,731.95
Undisbursed balance	100,532,309.82	15,935,800.01	116,468,109.83
Total assets	2,506,669,549.61	—112,957,707.83	2,393,711,841.78

[1] Appropriations are equal to the amount of employment taxes collected as estimated by the Secretary of the Treasury and adjusted in accordance with wage reports certified by the Secretary of Health, Education, and Welfare for distribution to this fund and the Federal old-age and survivors insurance trust fund.

[2] Reimbursement covering the fiscal year 1962 including $2,414,250.00 interest.

TABLE 72.—*Federal old-age and survivors insurance trust fund, June 30, 1963*

[This trust fund, the successor to the old-age reserve account was established in accordance with the provisions of the Social Security Act Amendments (42 U.S.C. 401). For further details see annual reports of the Secretary for 1940, p. 212, and 1950, p. 42]

I. RECEIPTS AND EXPENDITURES (EXCLUDING INVESTMENT TRANSACTIONS)

	Cumulative through June 30, 1962	Fiscal year 1963	Cumulative through June 30, 1963
Receipts:			
Appropriations [1]	$92, 759, 232, 270. 87	$12, 466, 041, 002. 51	$105, 225, 273, 273. 38
Less refund of internal revenue collections	−693, 275, 000. 00	−127, 850, 000. 00	−821, 125, 000. 00
Deposits by states	3, 958, 544, 806. 28	989, 571, 146. 99	4, 948, 115, 953. 27
Interest and profits on investments	7, 128, 609, 710. 07	512, 407, 651. 76	7, 641, 017, 361. 83
Transfers from general fund [2]	15, 386, 400. 00		15, 386, 400. 00
Payments from railroad retirement account	35, 393, 000. 00		35, 393, 000. 00
Other [3]	5, 733, 362. 54	2, 490, 079. 53	8, 223, 442. 07
Total receipts	103, 209, 624, 549. 76	13, 842, 659, 880. 79	[4] 117, 052, 284, 430. 55
Expenditures:			
Benefit payments	80, 003, 545, 187. 04	13, 844, 583, 650. 70	93, 848, 128, 837. 74
Construction of buildings	31, 135, 082. 08	1, 656, 527. 20	32, 791, 609. 28
To railroad retirement account	1, 417, 400, 000. 00	422, 523, 000. 00	1, 839, 923, 000. 00
Administrative expenses:			
Salaries and expenses [5]	1, 648, 339, 464. 00	275, 423, 432. 68	1, 923, 762, 896. 68
To general fund	612, 236, 144. 74	45, 439, 121. 72	657, 675, 266. 46
To Department of Health, Education, and Welfare	19, 741, 325. 00	3, 019, 300. 00	22, 760, 625. 00
From Federal disability insurance trust fund	−148, 905, 982. 00	−62, 935, 120. 00	−211, 841, 102. 00
Total expenditures	83, 583, 491, 220. 86	14, 529, 709, 912. 30	98, 113, 201, 133. 16
Balance	19, 626, 133, 328. 90	−687, 050, 031. 51	18, 939, 083, 297. 39

II. ASSETS HELD BY THE TREASURY DEPARTMENT

Assets	June 30, 1962	Fiscal year 1963, increase, or decrease (—)	June 30, 1963
Investments in public debt securities:			
Special issues, Federal old-age and survivors insurance trust fund series maturing June 30:			
Treasury certificates of indebtedness:			
3¾% of 1963	$1, 080, 011, 000. 00	—$1, 080, 011, 000. 00	
Treasury notes:			
2⅝% of 1964	168, 000, 000. 00	—168, 000, 000. 00	
3¾% of 1964	88, 796, 000. 00	—88, 796, 000. 00	
Treasury bonds:			
2½% of 1964	776, 698, 000. 00	—776, 698, 000. 00	
2½% of 1965	912, 011, 000. 00	—477, 436, 000. 00	$434, 575, 000. 00
2⅝% of 1965	168, 000, 000. 00		168, 000, 000. 00
2½% of 1966	912, 011, 000. 00		912, 011, 000. 00
2⅝% of 1966	168, 000, 000. 00		168, 000, 000. 00
2½% of 1967	912, 011, 000. 00		912, 011, 000. 00
2⅝% of 1967	168, 000, 000. 00		168, 000, 000. 00
2½% of 1968	412, 011, 000. 00		412, 011, 000. 00
2⅝% of 1968	668, 000, 000. 00		668, 000, 000. 00
2⅝% of 1969	1, 080, 011, 000. 00		1, 080, 011, 000. 00
2⅝% of 1970	1, 080, 011, 000. 00		1, 080, 011, 000. 00
2⅝% of 1971	1, 080, 011, 000. 00		1, 080, 011, 000. 00
2⅝% of 1972	1, 080, 011, 000. 00		1, 080, 011, 000. 00
2⅝% of 1973	1, 080, 011, 000. 00		1, 080, 011, 000. 00
2⅝% of 1974	1, 080, 011, 000. 00		1, 080, 011, 000. 00
2⅝% of 1975	919, 934, 000. 00		919, 934, 000. 00
3¾% of 1975	160, 077, 000. 00		160, 077, 000. 00
3¾% of 1976	1, 080, 011, 000. 00		1, 080, 011, 000. 00
3⅞% of 1977		1, 080, 011, 000. 00	1, 080, 011, 000. 00
3⅞% of 1978		658, 444, 000. 00	658, 444, 000. 00
Total special issues	15, 073, 637, 000. 00	—852, 486, 000. 00	14, 221, 151, 000. 00

Footnotes at end of table.

TABLE 72.—*Federal old-age and survivors insurance trust fund, June 30, 1963*—Con.

II. ASSETS HELD BY THE TREASURY DEPARTMENT—Continued

Assets	June 30, 1962	Fiscal year 1963, increase, or decrease (−)	June 30, 1963
Investments in public debt securities—Con.			
Public issues:			
Treasury notes:			
4⅞%, Series C-1963	$15,000,000.00		$15,000,000.00
5%, Series B-1964	25,000,000.00		25,000,000.00
4⅝%, Series A-1965	38,500,000.00		38,500,000.00
Treasury bonds:			
2½% of 1964-69 (dated Apr. 15, 1943)	22,180,000.00		22,180,000.00
2½% of 1964-69 (dated Sept. 15, 1943)	33,000,000.00		33,000,000.00
3¾% of 1966	27,729,000.00		27,729,000.00
3% of 1966	25,000,000.00	−$25,000,000.00	
3⅜% of 1966	4,500,000.00	−4,500,000.00	
2½% of 1967-72 (dated Oct. 20, 1941)	250.00		250.00
3⅝% of 1967	34,205,000.00		34,205,000.00
3¾% of 1968	7,000,000.00		7,000,000.00
3⅞% of 1968	17,450,000.00		17,450,000.00
4% of 1969 (dated Aug. 15, 1962)		20,000,000.00	20,000,000.00
4% of 1969 (dated Oct. 1, 1957)	57,500,000.00		57,500,000.00
4% of 1971	100,000,000.00		100,000,000.00
3⅞% of 1974	32,500,000.00		32,500,000.00
4¼% of 1975-85	25,000,000.00		25,000,000.00
3¼% of 1978-83	60,200,000.00		60,200,000.00
4% of 1980	123,600,000.00	29,500,000.00	153,100,000.00
3½% of 1980	449,450,000.00		449,450,000.00
3¼% of 1985	25,700,000.00		25,700,000.00
4¼% of 1987-92		10,000,000.00	10,000,000.00
3½% of 1990	556,250,000.00		556,250,000.00
3% of 1995	85,170,000.00		85,170,000.00
3½% of 1998	552,037,000.00		552,037,000.00
2¾% Investment Series B-1975-80	1,064,902,000.00		1,064,902,000.00
Total public issues	3,381,873,250.00	30,000,000.00	3,411,873,250.00
Total investments-par value	18,455,510,250.00	−822,486,000.00	17,633,024,250.00
Unamortized premium and discount (net)	−21,174,924.37	1,249,068.66	−19,925,855.71
Accrued interest purchased	329,850.53	−238,579.89	91,270.64
Total investments-book value	18,434,665,176.16	−821,475,511.23	17,613,189,664.93
Undisbursed balance	[6] 1,191,468,152.74	134,425,479.72	1,325,893,632.46
Total assets	19,626,133,328.90	−687,050,031.51	18,939,083,297.39

[1] Appropriations are equal to the amount of employment taxes collected as estimated by the Secretary of the Treasury and adjusted in accordance with wage reports certified by the Secretary of Health, Education, and Welfare for distribution to this fund and the Federal disability insurance trust fund.
[2] In connection with payments of benefits to survivors of certain World War II veterans who died within three years after separation from active service.
[3] Incidental recoveries, and, beginning with the fiscal year 1958, includes reimbursement of interest in the amount of $6,660,446 transferred from the Federal disability insurance trust fund pursuant to 42 U.S.C. 401(g)(1).
[4] Excludes unappropriated receipts of $28,000,000.
[5] Paid directly from the trust fund beginning with the fiscal year 1947 under annual appropriation acts.
[6] Includes the following balances in accounts as of June 30:

	1962	*1963*
Benefit payments	$1,174,566,198.75	$1,306,985,701.89
Salaries and expenses	16,416,694.89	18,889,598.67
Construction of buildings	485,259.10	18,331.90

TABLE 73.—*Foreign service retirement and disability fund, June 30, 1963*

[This trust fund was established in accordance with the provisions of the act of May 24, 1924, and the act of Aug. 13, 1946 (22 U.S.C. 1062). For further details, see annual report of the Secretary for 1941, p. 138]

I. RECEIPTS AND EXPENDITURES (EXCLUDING INVESTMENT TRANSACTIONS)

	Cumulative through June 30, 1962	Fiscal year 1963	Cumulative through June 30, 1963
Receipts:			
Deductions from salaries, service credit payments, and voluntary contributions of employees subject to retirement act	$33,021,604.94	$3,298,486.30	$36,320,091.24
Appropriations [1]	25,815,900.00		25,815,900.00
Payments by employing agency [1]	2,852,868.68	3,136,093.00	5,988,961.68
Receipts from civil service retirement and disability fund	2,835,738.82	336,127.14	3,171,865.96
Interest and profits on investments	15,227,122.79	1,461,309.26	16,688,432.05
Total receipts	79,753,235.23	8,232,015.70	87,985,250.93
Expenditures:			
Annuity payments and refunds	42,552,909.11	7,084,788.82	49,637,697.93
Balance	37,200,326.12	1,147,226.88	38,347,553.00

II. ASSETS HELD BY THE TREASURY DEPARTMENT

Assets	June 30, 1962	Fiscal year 1963, increase, or decrease (−)	June 30, 1963
Investments in public debt securities:			
Special issues, Treasury certificates of indebtedness, foreign service retirement fund series maturing June 30:			
3% of 1963	$1,544,000.00	−$1,544,000.00	
4% of 1963	35,166,000.00	−35,166,000.00	
3% of 1964		1,672,000.00	$1,672,000.00
4% of 1964		36,219,000.00	36,219,000.00
Total investments	36,710,000.00	1,181,000.00	37,891,000.00
Undisbursed balance	490,326.12	−33,773.12	456,553.00
Total assets	37,200,326.12	1,147,226.88	38,347,553.00

[1] Beginning July 1, 1961, appropriations are not made directly to the fund. Instead, in accordance with the act approved Sept. 8, 1960 (22 U.S.C. 1071 (a)), the employing agency contributes (from appropriations or funds from which the salaries are paid) amounts equal to the deductions from employees' salaries.

TABLE 74.—*Highway trust fund, June 30, 1963*

[This trust fund was established in accordance with the provisions of section 209(a) of the Highway Revenue Act of 1956 (23 U.S.C. 120 note)]

I. RECEIPTS AND EXPENDITURES (EXCLUDING INVESTMENT TRANSACTIONS)

	Cumulative through June 30, 1962	Fiscal year 1963	Cumulative through June 30, 1963
Receipts:			
Excise taxes: [1]			
Gasoline [2]	$11,511,584,908.22	$2,473,804,270.20	$13,985,389,178.42
Diesel fuel	403,522,529.44	114,441,361.28	517,963,890.72
Tires [2]	1,155,211,578.57	365,346,331.73	1,520,557,910.30
Tread rubber [2]	90,579,492.91	24,056,397.93	114,635,890.84
Trucks, buses, etc	637,843,356.58	311,160,175.52	949,003,532.10
Truck use	256,902,243.22	97,317,555.78	354,219,799.00
Inner tubes [2]	83,339,907.05	18,890,971.80	102,230,878.85
Other tires	272,718,179.33		272,718,179.33
Total taxes	14,411,702,195.32	3,405,017,064.24	17,816,719,259.56
Deduct: Reimbursement to general fund-refund of tax receipts:			
Gasoline used on farms	439,515,130.92	103,996,500.88	543,511,631.80
Gasoline for nonhighway purposes or local transit systems	107,610,124.36	22,238,960.63	129,849,084.99
Gasoline, other	58,834.66	43,856.19	102,690.85
Tires and tread rubber	97,416.90		97,416.90
Truck, buses, etc	26,660.21	39,990.34	66,650.55
Total refunds of taxes	547,308,167.05	126,319,308.04	673,627,475.09
Total taxes (net)	13,864,394,028.27	3,278,697,756.20	17,143,091,784.47
Interest on investments	45,008,450.93	14,268,227.04	59,276,677.97
Advances from general fund	419,000,000.00		419,000,000.00
Less: Return of advances to general fund	−419,000,000.00		−419,000,000.00
Total receipts (net)	13,909,402,479.20	3,292,965,983.24	17,202,368,462.44
Expenditures:			
Highway program:			
Reimbursement to general fund	501,018,553.13		501,018,553.13
Federal Aid Highway Act of 1956	12,931,744,977.59	3,016,577,935.48	15,948,322,913.07
Pentagon road network		122,564.76	122,564.76
Total highway program	13,432,763,530.72	3,016,700,500.24	16,449,464,030.96
Services of Department of Labor (administration and enforcement of labor standards)	368,225.00		368,225.00
Interest on advances from general fund	5,610,162.02		5,610,162.02
Total expenditures	13,438,741,917.74	3,016,700,500.24	16,455,442,417.98
Balance	470,660,561.46	276,265,483.00	746,926,044.46

II. ASSETS HELD BY TREASURY DEPARTMENT

Assets	June 30, 1962	Fiscal year 1963, increase, or decrease (−)	June 30, 1963
Investments in public debt securities:			
Special issues, Treasury certificates of indebtedness, highway trust fund series, maturing June 30:			
3¼% of 1963	$435,935,000.00	−$435,935,000.00	
3⅜% of 1964		677,743,000.00	$677,743,000.00
Total investments	435,935,000.00	241,808,000.00	677,743,000.00
Undisbursed balances	34,725,561.46	34,457,483.00	69,183,044.46
Total assets	470,660,561.46	276,265,483.00	746,926,044.46

[1] Amounts equivalent to specified percentages of receipts from certain taxes on motor fuels, vehicles, tires and tubes, and use of certain vehicles are appropriated and transferred monthly from general fund receipts to the trust fund on the basis of estimates by the Secretary of the Treasury, with proper adjustments to be made in subsequent transfers as required by section 209(c) of the Highway Revenue Act of 1956, as amended (23 U.S.C. 120 note). See also the annual report to Congress on the financial condition and fiscal operations of the highway trust fund.

[2] Includes floor stocks taxes.

TABLE 75.—*Judicial survivors annuity fund, June 30, 1963*

[This fund was established in accordance with the provisions of the act of Aug. 3, 1956 (28 U.S.C. 376(b))]

I. RECEIPTS AND EXPENDITURES (EXCLUDING INVESTMENT TRANSACTIONS)

	Cumulative through June 30, 1962	Fiscal year 1963	Cumulative through June 30, 1963
Receipts:			
Deductions from salaries and contributions	$3, 508, 046. 45	$595, 159. 85	$4, 103, 206. 30
Interest and profits on investments	205, 024. 49	62, 941. 64	267, 966. 13
Total receipts	3, 713, 070. 94	658, 101. 49	4, 371, 172. 43
Expenditures:			
Annuity payments, refunds, etc	1, 907, 169. 36	415, 900. 86	2, 323, 070. 22
Balance	1, 805, 901. 58	242, 200. 63	2, 048, 102. 21

II. ASSETS HELD BY THE TREASURY DEPARTMENT

Assets	June 30, 1962	Fiscal year 1963, increase, or decrease (−)	June 30, 1963
Investments in public debt securities:			
Public issues:			
Treasury bills	$48, 000. 00		$48, 000. 00
Treasury notes:			
3¼%, Series D-1963	150, 000. 00	−$150, 000. 00	
5%, Series B-1964	63, 000. 00		63, 000. 00
4⅝%, Series A-1965	100, 000. 00		100, 000. 00
4%, Series A-1966	60, 000. 00		60, 000. 00
Treasury bonds:			
3⅜% of 1966	250, 000. 00	−250, 000. 00	
3⅞% of 1968	195, 000. 00		195, 000. 00
4% of 1969	40, 500. 00		40, 500. 00
4% of 1971	240, 000. 00		240, 000. 00
4% of 1972 (dated Sept. 15, 1962)		150, 000. 00	150, 000. 00
3⅞% of 1974	169, 000. 00		169, 000. 00
3¼% of 1978-83	93, 500. 00		93, 500. 00
4% of 1980	101, 000. 00	399, 500. 00	500, 500. 00
3½% of 1990	97, 000. 00	91, 500. 00	188, 500. 00
3% of 1995	51, 000. 00		51, 000. 00
3½% of 1998	113, 500. 00		113, 500. 00
Total investments	1, 771, 500. 00	241, 000. 00	2, 012, 500. 00
Undisbursed balance	34, 401. 58	1, 200. 63	35, 602. 21
Total assets	1, 805, 901. 58	242, 200. 63	2, 048, 102. 21

TABLE 76.—*Library of Congress trust funds, June 30, 1963*

[Established in accordance with provisions of the act of Mar. 3, 1925, as amended (2 U.S.C. 154-161). For further details see 1941 annual report, p. 149]

	Permanent loan account						Income from donated securities, etc.		
	Funds on deposit with Treasurer of the United States			Interest at 4 percent paid by U.S. Treasury					
	June 30, 1962	Fiscal year 1963	June 30, 1963	Cumulative through June 30, 1962	Fiscal year 1963	Cumulative through June 30, 1963	Cumulative through June 30, 1962	Fiscal year 1963	Cumulative through June 30, 1963
Name of donor:									
Babine, Alexis V.	$6,684.74		$6,684.74	$6,679.36	$267.40	$6,946.76	$1,785.58		$1,785.58
Benjamin, William E.	83,083.31		83,083.31	49,635.23	3,323.34	52,958.57	49,744.50		49,744.50
Bowker, Richard R.	14,843.15		14,843.15	5,264.02	593.72	5,857.74	8,024.80		8,024.80
Carnegie Corporation of New York	93,307.98		93,307.98	90,704.18	3,732.32	94,436.50	37,838.36		37,838.36
Coolidge, Elizabeth S.	804,444.26		804,444.26	300,973.57	32,177.78	333,151.35	131,904.76		131,904.76
Elson, Louis C., memorial fund	12,585.03		12,585.03	8,630.11	503.40	9,133.51			
Friends of Music in the Library of Congress	5,759.09	$300.00	6,059.09	4,129.73	237.16	4,366.89	318.22		318.22
Guggenheim, Daniel	90,654.22		90,654.22	86,669.78	3,626.16	90,295.94	32,759.36		32,759.36
Hanks, Nymphus Corridon	5,227.31		5,227.31	1,347.66	209.10	1,556.76			
Huntington, Archer M.	260,577.66		260,577.66	162,816.49	10,423.10	173,239.59	[1] 358,182.13	[1] $18,875.11	[1] 377,057.24
Koussevitzky Music Foundation, Inc.	176,103.58		176,103.58	74,462.40	7,044.14	81,506.54			
Longworth, Nicholas, Foundation	9,691.59		9,691.59	8,663.98	387.66	9,051.64	757.02		757.02
Miller, Dayton C.	20,548.18		20,548.18	14,365.37	821.92	15,187.29	412.50		412.50
National Library for the Blind, Inc.	36,015.00		36,015.00	13,940.07	1,440.60	15,380.67			
Pennell, Joseph	303,250.46		303,250.46	255,879.38	12,130.02	268,009.40	85,487.80		85,487.80
Porter, Henry K., memorial fund	290,500.00		290,500.00	184,808.04	11,620.00	196,428.04	25,369.03		25,369.03
Roberts fund	62,703.75		62,703.75	28,032.13	2,508.16	30,540.29			
Sonneck memorial fund	12,088.13		12,088.13	11,554.14	483.52	12,037.66	4,429.73		4,429.73
Stern memorial fund		6,841.98	6,841.98		87.40	87.40		50.00	50.00
Whittall, Gertrude C.:									
Collection of Stradivari instruments and Tourte bows	1,225,060.97		1,225,060.97	603,980.13	49,002.44	652,982.57	3,382.00		3,382.00
Poetry fund	101,149.73		101,149.73	46,561.75	4,045.98	50,607.73			
General literature	393,279.59		393,279.59	64,431.78	15,731.18	80,162.96	2,168.26		2,168.26
Appreciation and understanding of good literature	150,000.00		150,000.00	49,898.31	6,000.00	55,898.31			
Wilbur, James B.	305,813.57		305,813.57	301,062.64	12,232.56	313,295.20	107,345.09		107,345.09
Donations and investment income	4,463,371.30	7,141.98	4,470,513.28	2,374,490.25	178,629.06	2,553,119.31	849,909.14	18,925.11	868,834.25
Expenditures from investment income				2,105,520.83	170,305.80	2,275,826.63	845,821.02	20,091.61	865,912.63
Balances in the accounts	4,463,371.30	7,141.98	4,470,513.28	268,969.42	8,323.26	277,292.68	4,088.12	−1,166.50	2,921.62

[1] Includes income from securities held as investment under deed of trust dated Nov. 17, 1936, administered by designated trustees including the Bank of New York.

TABLE 77.—*National service life insurance fund, June 30, 1963*

[This trust fund was established in accordance with the provisions of the act of Oct. 8, 1940 (38 U.S.C. 720). For further details, see annual report of the Secretary for 1941, p. 143]

I. RECEIPTS AND EXPENDITURES (EXCLUDING INVESTMENT TRANSACTIONS)

	Cumulative through June 30, 1962	Fiscal year 1963	Cumulative through June 30, 1963
Receipts:			
Premiums and other receipts	$9,878,943,469.81	$476,733,234.63	$10,355,676,704.44
Interest on investments	2,960,564,544.43	175,022,800.96	3,135,587,345.39
Payments from general fund	4,740,856,547.21	5,993,245.62	4,746,849,792.83
Total receipts	17,580,364,561.45	657,749,281.21	18,238,113,842.66
Expenditures:			
Benefit payments, dividends, and refunds	11,769,713,128.31	747,095,371.33	12,516,808,499.64
Balance	5,810,651,433.14	−89,346,090.12	5,721,305,343.02

II. ASSETS HELD BY THE TREASURY DEPARTMENT

Assets	June 30, 1962	Fiscal year 1963, increase, or decrease (−)	June 30, 1963
Investments in public debt securities:			
Special issues, national service life insurance fund series maturing June 30:			
Treasury certificates of indebtedness, 3¼% of 1963	$1,000,000.00	−$1,000,000.00	
Treasury notes:			
3% of 1963	379,000,000.00	−379,000,000.00	
3¾% of 1963	7,873,000.00	−7,873,000.00	
3% of 1964	379,000,000.00		$379,000,000.00
3¾% of 1964	7,873,000.00		7,873,000.00
3¾% of 1965	7,873,000.00		7,873,000.00
Treasury bonds:			
3% of 1965	379,000,000.00		379,000,000.00
3% of 1966	379,000,000.00		379,000,000.00
3¾% of 1966	7,873,000.00		7,873,000.00
3% of 1967	379,000,000.00		379,000,000.00
3¾% of 1967	7,873,000.00		7,873,000.00
3% of 1968	379,000,000.00		379,000,000.00
3¾% of 1968	7,873,000.00		7,873,000.00
3% of 1969	379,000,000.00		379,000,000.00
3¾% of 1969	7,873,000.00		7,873,000.00
3% of 1970	379,000,000.00		379,000,000.00
3¾% of 1970	7,873,000.00		7,873,000.00
3% of 1971	379,000,000.00		379,000,000.00
3¾% of 1971	7,873,000.00		7,873,000.00
3% of 1972	379,000,000.00		379,000,000.00
3¾% of 1972	7,873,000.00		7,873,000.00
3% of 1973	379,000,000.00		379,000,000.00
3¾% of 1973	7,873,000.00		7,873,000.00
3% of 1974	379,000,000.00		379,000,000.00
3¾% of 1974	7,873,000.00		7,873,000.00
3¾% of 1975	386,873,000.00		386,873,000.00
3⅛% of 1976	343,149,000.00		343,149,000.00
3¼% of 1976	43,724,000.00		43,724,000.00
3¼% of 1977	386,307,000.00		386,307,000.00
3⅜% of 1978		298,259,000.00	298,259,000.00
Total investments	5,803,529,000.00	−89,614,000.00	5,713,915,000.00
Undisbursed balance	7,122,433.14	267,909.88	7,390,343.02
Total assets	5,810,651,433.14	−89,346,090.12	5,721,305,343.02

NOTE.—Policy loans outstanding, on basis of information furnished by the Veterans' Administration, amounted to $463,059,644.14 as of June 30, 1963.

TABLE 78.—*Pershing Hall Memorial fund, June 30, 1963*

[This special fund was established in accordance with the provisions of the act of June 28, 1935, as amended (36 U.S.C. 491). For further details, see annual report of the Secretary for 1941, p. 155]

I. RECEIPTS AND EXPENDITURES (EXCLUDING INVESTMENT TRANSACTIONS)

	Cumulative through June 30, 1962	Fiscal year 1963	Cumulative through June 30, 1963
Receipts:			
Appropriations	$482,032.92		$482,032.92
Profits on investments	5,783.21		5,783.21
Net increase in book value of bonds	12,000.35		12,000.35
Interest earned	137,458.88	$7,385.00	144,843.88
Total receipts	637,275.36	7,385.00	644,660.36
Expenditures:			
Claims and expenses	288,629.70		288,629.70
National Treasurer, American Legion	137,458.88	7,385.00	144,843.88
Total expenditures	426,088.58	7,385.00	433,473.58
Balance	211,186.78		211,186.78

II. ASSETS HELD BY THE TREASURY DEPARTMENT

Assets	June 30, 1962	Fiscal year 1963	June 30, 1963
Investments in public debt securities:			
Public issues:			
Treasury bonds, 3½% of 1990	$211,000.00		$211,000.00
Undisbursed balance	186.78		186.78
Total assets	211,186.78		211,186.78

TABLE 79.—*Philippine Government pre-1934 bond account, June 30, 1963*

[This special trust account was established in accordance with the provisions of the act of August 7, 1939 (22 U.S.C. 1393), for the payment of bonds issued prior to May 1, 1934, by provinces, cities, and municipalities of the Philippines]

I. RECEIPTS AND EXPENDITURES (EXCLUDING INVESTMENT TRANSACTIONS)

	Cumulative through June 30, 1962	Fiscal year 1963	Cumulative through June 30, 1963
Receipts:			
Taxes on exports	$1,586,135.92		$1,586,135.92
Interest and profits on investments [1]	3,674,327.64	$20,407.27	3,694,734.91
Sale of stock of Bank of Philippine Islands	43,100.00		43,100.00
Deposit of the Philippine Government	13,141.85		13,141.85
U.S. Treasury bonds from the Philippine Government	6,269,750.00		6,269,750.00
Annual payments by the Philippine Government	15,646,589.37		15,646,589.37
Total receipts	27,233,044.78	20,407.27	27,253,452.05
Expenditures:			
Interest on outstanding Philippine bonds	2,389,595.68	21,880.00	2,411,475.68
Return of excess cash to the Philippine Government	1,600,000.00		1,600,000.00
Payment of matured bonds of the Philippine Government	18,540,500.00	1,000.00	18,541,500.00
Cancellation of Philippine bonds at cost [2]	3,533,585.13		3,533,585.13
Losses on securities sold	153,752.03		153,752.03
Unamortized discount on investments	−5,765.04	−7,947.47	−13,712.51
Total expenditures	26,211,667.80	14,932.53	26,226,600.33
Balance	1,021,367.98	5,474.74	1,026,851.72

II. ASSETS HELD BY THE TREASURY DEPARTMENT

Assets	June 30, 1962	Fiscal year 1963, increase, or decrease (−)	June 30, 1963
Investments in public debt securities:			
Public issues:			
Treasury bills	$216,000.00	$603,000.00	$819,000.00
Treasury notes, 4¾%, Series A-1964	100,000.00		100,000.00
Treasury bonds, 2¼% of 1959-62 (dated Nov. 15, 1945)	600,000.00	−600,000.00	
Total investments	916,000.00	3,000.00	919,000.00
Undisbursed balance	105,376.98	2,474.74	107,851.72
Total assets	1,021,376.98	5,474.74	1,026,851.72

[1] Losses are netted against profits through fiscal 1957.
[2] The face value of the bonds canceled was $3,436,000.

NOTE.—As of June 30, 1963, the total principal of pre-1934 bonds outstanding was $638,850 unmatured and $49,000 matured. The amount of matured interest unpaid was $45,610 and the unmatured interest projected through July 1, 1963, the date of final maturity, amounted to $31,942.50.

TABLE 80.—*Railroad retirement account, June 30, 1963*

[On the basis of daily Treasury statements through 1952, thereafter on basis of "Monthly Statement of Receipts and Expenditures of the United States Government," see "Bases of Tables." This trust account was established in accordance with the provisions of the act of June 24, 1937 (45 U.S.C. 228o). For further details, see annual report of the Secretary for 1941, p. 148]

I. RECEIPTS AND EXPENDITURES (EXCLUDING INVESTMENT TRANSACTIONS)

	Cumulative through June 30, 1962	Fiscal year 1963	Cumulative through June 30, 1963
Receipts:			
Tax collections:			
Appropriated [1]	$11,291,491,379.86	$559,049,147.68	$11,850,540,527.54
Unappropriated [2]	4,239,545.15	12,484,893.31	16,724,438.46
Fines and penalties	350.00		350.00
Interest and profits on investments	1,445,396,861.37	105,214,054.93	1,550,610,916.30
Payments from Federal old-age and survivors and Federal disability insurance trust funds [3]	1,433,578,000.00	442,132,000.00	1,875,710,000.00
Railroad unemployment insurance account:			
Interest on advances	14,310,169.80	8,945,768.47	23,255,938.27
Repayment of advances	141,261,000.00		141,261,000.00
Total receipts	r 14,330,277,306.18	1,127,825,864.39	15,458,103,170.57
Expenditures:			
Benefit payments, etc	9,967,708,008.42	1,064,000,809.45	11,031,708,817.87
Administrative expenses [4]	93,774,361.26	9,832,596.24	103,606,957.50
Federal old-age and survivors and Federal disability insurance trust funds:			
Payments	26,831,000.00		26,831,000.00
Interest payments	35,393,000.00		35,393,000.00
Advances to railroad unemployment insurance account	417,545,000.00	37,699,000.00	455,244,000.00
Interest on refunds of taxes	4,676.35	622.78	5,299.13
Total expenditures	10,541,256,046.03	1,111,533,028.47	11,652,789,074.50
Balance	r 3,789,021,260.15	16,292,835.92	3,805,314,096.07

Footnotes at end of table.

TABLE 80.—*Railroad retirement account, June 30, 1963*—Continued

II. ASSETS HELD BY THE TREASURY DEPARTMENT

Assets	June 30, 1962	Fiscal year 1963, increase, or decrease (−)	June 30, 1963
Investments in public debt securities:			
Special issues, Treasury notes, railroad retirement series, maturing June 30:			
3% of 1964	$1,089,604,000.00	−$1,089,604,000.00	
3% of 1965	1,066,645,000.00	−543,984,000.00	$522,661,000.00
3% of 1966	698,618,000.00		698,618,000.00
3% of 1967	460,918,000.00	591,309,000.00	1,052,227,000.00
3% of 1968		512,580,000.00	512,580,000.00
Total special issues	3,315,785,000.00	−529,699,000.00	2,786,086,000.00
Public issues:			
Treasury bills		100,000,000.00	100,000,000.00
Treasury notes:			
4⅞%, Series C-1963	13,500,000.00		13,500,000.00
3¼%, Series D-1963	25,000,000.00	−25,000,000.00	
5%, Series B-1964	20,000,000.00		20,000,000.00
4⅞%, Series C-1964	7,450.000.00		7,450,000.00
4%, Series A-1966		6,000,000.00	6,000,000.00
3⅝%, Series B-1966		30,500,000.00	30,500,000.00
3¾%, Series A-1967		10,000,000.00	10,000,000.00
3⅝%, Series B-1967		18,000,000.00	18,000,000.00
Treasury bonds:			
2⅝% of 1965		39,000,000.00	39,000,000.00
3% of 1966	8,500,000.00	−8,500,000.00	
3¾% of 1966	4,500,000.00	1,000,000.00	5,500,000.00
3¾% of 1968	3,000,000.00	11,000,000.00	14,000,000.00
3⅞% of 1968	5,000,000.00	2,000,000.00	7,000,000.00
4% of 1969 (dated Oct. 1, 1957)	55,000,000.00	2,000,000.00	57,000,000.00
4% of 1969 (dated Aug. 15, 1962)		51,000,000.00	51,000,000.00
3⅞% of 1971	20,000,000.00	26,500,000.00	46,500,000.00
4% of 1971	5,000,000.00	3,500,000.00	8,500,000.00
4% of 1972 (dated Sept. 15, 1962)		33,500,000.00	33,500,000.00
4% of 1972 (dated Nov. 15, 1962)		21,000,000.00	21,000,000.00
3⅞% of 1974	77,700,000.00	79,000,000.00	156,700,000.00
4¼% of 1975–85	20,000,000.00	5,000,000.00	25,000,000.00
3½% of 1980	6,000,000.00		6,000,000.00
4% of 1980	37,950,000.00	87,600,000.00	125,550,000.00
3¼% of 1985	6,900,000.00		6,900,000.00
4¼% of 1987–92		14,000,000.00	14,000,000.00
4% of 1988–93		6,000,000.00	6,000,000.00
4⅛% of 1989–94		9,100,000.00	9,100,000,00
3½% of 1990	30,925,000.00	8,000,000.00	38,925,000.00
3% of 1995	3,200,000.00		3,200,000.00
3½% of 1998	31,550,000.00		31,550,000.00
Total public issues	381,175,000.00	530,200,000.00	911,375,000.00
Total investments	3,696,960,000.00	501,000.00	3,697,461,000.00
Undisbursed balance	r 92,061,260.15	15,791,835.92	107,853,096.07
Total assets	r 3,789,021,260.15	16,292,835.92	3,805,314,096.07

r Revised.

[1] Includes the Government's contribution for creditable military service under the act of Apr. 8, 1942, as amended by the act of Aug. 1, 1956 (45 U.S.C. 228c-1(n)(p)). Effective July 1, 1951, appropriations of receipts are equal to the amount of taxes deposited in the Treasury (less refunds) under the Railroad Retirement Tax Act (26 U.S.C. 3201–3233).

[2] Represents tax collections pending transfer to the account; less interest paid on refunds of taxes included under expenditures.

[3] Pursuant to act of June 24, 1937 (45 U.S.C. 228e(k)).

[4] Beginning Aug. 1, 1949, paid from the trust fund under Title IV, act of June 29, 1949 (45 U.S.C. 228p), and subsequent annual appropriation acts.

TABLE 81.—*Unemployment trust fund, June 30, 1963*

[This trust fund was established in accordance with the provisions of Sec. 904(a) of the Social Security Act of August 14, 1935 (42 U.S.C. 1104). For further details see annual report of the Secretary for 1941, p. 145]

I. RECEIPTS AND EXPENDITURES (EXCLUSIVE OF INVESTMENT TRANSACTIONS)

	Cumulative through June 30, 1962	Fiscal year 1963	Cumulative through June 30, 1963
STATE UNEMPLOYMENT ACCOUNTS			
Receipts:			
Appropriations from general fund [1]	$138,024,733.38		$138,024,733.38
Deposits by States	33,578,476,971.15	$3,008,933,538.01	36,587,410,509.16
Interest earned:			
Collected	3,422,455,008.46	181,908,886.63	3,604,363,895.09
Accrued	7,452,698.78	1,710,641.64	9,163,340.42
Total receipts	r 37,146,409,411.77	3,192,553,066.28	40,338,962,478.05
Expenditures:			
Withdrawals by States	31,506,803,938.50	2,814,482,140.94	34,321,286,079.44
Advances to States	5,273,762.23	−1,845,063.80	3,428,698.43
Total expenditures	31,512,077,700.73	2,812,637,077.14	34,324,714,777.87
Transfers:			
Transfers to railroad unemployment insurance account	−107,226,931.89		−107,226,931.89
From Federal unemployment account [2]	236,765,000.00		236,765,000.00
From Federal extended compensation account (reimbursement)	43,890,262.04	2,391,879.43	46,282,141.47
To Federal unemployment account [3]	−3,000,000.00		−3,000,000.00
Net transfers	r 170,428,330.15	2,391,879.43	172,820,209.58
Balance	5,804,760,041.19	382,307,868.57	6,187,067,909.76
RAILROAD UNEMPLOYMENT INSURANCE ACCOUNT [4]			
BENEFIT PAYMENTS ACCOUNT			
Receipts:			
Deposits by Railroad Retirement Board [5]	1,704,784,905.15	149,798,351.71	1,854,583,256.86
Advances from the railroad retirement account	417,545,000.00	37,699,000.00	455,244,000.00
From the railroad unemployment insurance administration fund	106,187,199.00		106,187,199.00
Advance by Secretary of Treasury	15,000,000.00		15,000,000.00
Interest earned:			
Collected	221,121,640.58	342,600.34	221,464,240.92
Accrued	12,596.55	3,221.76	15,818.31
Total receipts	r 2,464,651,341.28	187,843,173.81	2,652,494,515.09
Expenditures:			
Benefit payments	2,375,057,380.78	166,743,968.63	2,541,801,349.41
Transfers to railroad unemployment insurance administration fund	12,338,198.54		12,338,198.54
Repayment of advances to railroad retirement account	r 141,261,000.00		141,261,000.00
Repayment of advance to the Secretary of the Treasury	15,000,000.00		15,000,000.00
Repayment of advances from general fund for temporary unemployment compensation benefits	2,454,882.81	9,853,328.82	12,308,211.63
Repayment of interest on advances from railroad retirement account	r 14,310,169.80	8,945,768.47	23,255,938.27
Total expenditures	2,560,421,631.93	185,543,065.92	2,745,964,697.85
Transfers:			
From State unemployment funds [6]	107,226,931.89		107,226,931.89
Balance	11,456,641.24	2,300,107.89	13,756,749.13

Footnotes at end of Part I.

TABLE 81.—*Unemployment trust fund, June 30, 1963*—Continued

I. RECEIPTS AND EXPENDITURES (EXCLUSIVE OF INVESTMENT TRANSACTIONS)—Continued

	Cumulative through June 30, 1962	Fiscal year 1963	Cumulative through June 30, 1963
ADMINISTRATIVE EXPENSE FUND [7]			
Receipts:			
Deposits by Railroad Retirement Board	$33,535,225.56	$7,883,888.37	$41,419,113.93
Adjusted for prior year (unexpended balance)	7,237,031.36		7,237,031.36
Interest earned:			
Collected	521,128.49	95,652.80	616,781.29
Accrued	5,633.24	899.50	6,532.74
Total receipts	41,299,018.65	7,980,440.67	49,279,459.32
Expenditures:			
Administrative expenses	37,186,907.73	8,839,703.37	46,026,611.10
Balance	4,112,110.92	−859,262.70	3,252,848.22
TEMPORARY EXTENDED RAILROAD UNEMPLOYMENT INSURANCE ACCOUNT			
BENEFIT PAYMENT ACCOUNT			
Receipts:			
Appropriations from general fund	20,000,000.00	−601,407.76	19,398,592.24
Expenditures:			
Temporary extended railroad unemployment benefits	19,304,997.81	93,594.43	19,398,592.24
Balance	695,002.19	−695,002.19	
FEDERAL EXTENDED COMPENSATION ACCOUNT [8]			
Receipts:			
Advances from general fund	831,060,165.74	2,391,879.43	833,452,045.17
Expenditures:			
Temporary extended unemployment compensation payments	785,083,829.15	−14,967,307.39	770,116,521.76
Repayment of advances from general fund		466,326,784.00	466,326,784.00
Total expenditures	r 785,083,829.15	451,359,476.61	1,236,443,305.76
Transfers:			
From employment security administration account		466,326,784.00	466,326,784.00
Reimbursement to State accounts	−43,890,262.04	−2,391,879.43	−46,282,141.47
Net transfers	−43,890,262.04	463,934,904.57	420,044,642.53
Balance	2,086,074.55	14,967,307.39	17,053,381.94
EMPLOYMENT SECURITY ADMINISTRATION ACCOUNT [9]			
Receipts:			
Transfers (Federal unemployment taxes):			
Appropriated [10]	803,237,170.05	948,338,550.59	1,751,575,720.64
Less refund of taxes	−7,186,606.69	−3,097,161.83	−10,283,768.52
Advance from general (revolving) fund	621,811,596.38	173,500,000.00	795,311,596.38
Less return of advances to general fund	−535,400,000.00	−255,411,596.38	−790,811,596.38
Interest earned:			
Collected	2,374,492.62	1,453,666.66	3,828,159.28
Accrued	62,748.04	13,670.05	76,418.09
Total receipts	884,899,400.40	864,797,129.09	1,749,696,529.49
Expenditures:			
Administrative expenses to Department of Labor		260,650.00	260,650.00
Salaries and expenses, Bureau of Employment Security	17,767,666.15	11,551,602.43	29,319,268.58
Grants to States for unemployment compensation and employment service administration	842,567,700.23	336,419,877.29	1,178,987,577.52

Footnotes at end of Part I.

TABLE 81.—*Unemployment trust fund, June 30, 1963*—Continued

I.—RECEIPTS AND EXPENDITURES (EXCLUSIVE OF INVESTMENT TRANSACTIONS)—Continued

	Cumulative through June 30, 1962	Fiscal year 1963	Cumulative through June 30, 1963
EMPLOYMENT SECURITY ADMINISTRATION ACCOUNT[9]—Continued			
Expenditures—Continued			
Payments to general fund:			
Reimbursement for administrative expenses	$10,168,190.75	$5,343,631.16	$15,511,821.91
Interest on advances from general (revolving) fund	6,381,870.86	3,336,553.15	9,718,424.01
Interest on refund of taxes	107,046.47	73,297.26	180,343.73
Total expenditures	876,992,474.46	356,985,611.29	1,233,978,085.75
Transfers:			
Transfers to Federal unemployment account-reduced tax credits:			
Alaska	−157,404.42	−292,241.58	−449,646.00
Michigan		−7,153,713.21	−7,153,713.21
Transfers to Federal extended compensation account		−466,326,784.00	−466,326,784.00
Net transfers	−157,404.42	−473,772,738.79	−473,930,143.21
Balance	7,749,521.52	34,038,779.01	41,788,300.53
FEDERAL UNEMPLOYMENT ACCOUNT			
Receipts:			
Appropriations from general fund	207,350,872.17		207,350,872.17
Interest earned:			
Collected	39,590,341.84	7,306,549.89	46,896,891.73
Accrued	290,268.36	68,709.61	358,977.97
Total receipts	r 247,231,482.37	7,375,259.50	254,606,741.87
Expenditures:			
To Bureau of Employment Security, Department of Labor	6,070,914.73		6,070,914.73
Transfers:			
To State unemployment agencies	−236,765,000.00		−236,765,000.00
From State unemployment agencies	3,000,000.00		3,000,000.00
From employment security administration account-reduced tax credits	157,404.42	7,445,954.79	7,603,359.21
Net transfers	r −233,607,595.58	7,445,954.79	−226,161,640.79
Balance	7,552,972.06	14,821,214.29	22,374,186.35
SUMMARY OF BALANCES			
State unemployment agencies	5,804,760,041.19	382,307,868.57	6,187,067,909.76
Railroad unemployment insurance accounts:			
Benefit payments account	11,456,641.24	2,300,107.89	13,756,749.13
Administrative expenses	4,112,110.92	−859,262.70	3,252,848.22
Temporary extended railroad unemployment insurance account (benefit payment account)	695,002.19	−695,002.19	
Federal extended compensation account	2,086,074.55	14,967,307.39	17,053,381.94
Employment security administration account	7,749,521.52	34,038,779.01	41,788,300.53
Federal unemployment account	7,552,972.06	14,821,214.29	22,374,186.35
Total balances	5,838,412,363.67	446,881,012.26	6,285,293,375.93
Cash advance repayable to trust fund	5,273,762.23	−1,845,063.80	3,428,698.43
Total assets	5,813,686,125.90	445,035,948.46	6,288,722,074.36

r Revised for reclassification.

1 Reflects amounts appropriated to the unemployment trust fund prior to enactment of the Employment Security Act of 1960 representing the excess of collections, if any, from Federal unemployment tax over employment security expenses as provided by law (42 U.S.C. 1101(b)).

2 Includes advances to Alaska as authorized by law (42 U.S.C. 1321).

3 Represents repayments made by Alaska pursuant to law (42 U.S.C. 1322).

4 Established by the Railroad Unemployment Insurance Act of 1938 (45 U.S.C. 360, 361).

5 Contributions under the Railroad Unemployment Insurance Act of 1938, as amended (45 U.S.C. 360(a)), in excess of the amount specified for administrative expenses.

6 Amounts equivalent to tax is collected from employees covered by section 13(d) and section 13(f) of the Railroad Unemployment Insurance Act during the period January 1936 to June 1939, inclusive.

7 Maintained in the trust fund pursuant to an act approved Sept. 6, 1958 (45 U.S.C. 361(a)), previously maintained as a separate account in the Treasury.

8 Established by the Temporary Extended Unemployment Compensation Act of 1961 (42 U.S.C. 1105).

9 Established by the Employment Security Act of 1960 (42 U.S.C. 1101(a)).

10 Excludes unappropriated receipts of $1,089,804.10.

TABLE 81.—*Unemployment trust fund, June 30, 1963*—Continued

II. ASSETS HELD BY THE TREASURY DEPARTMENT (ACCRUAL BASIS)

	June 30, 1962	Fiscal year 1963, increase, or decrease (−)	June 30, 1963
Investments in public debt securities:			
Special issues, Treasury certificates of indebtedness, unemployment trust fund series maturing June 30:			
3⅛% of 1963	$4,656,911,000.00	−$4,656,911,000.00	
3¼% of 1964		4,802,620,000.00	$4,802,620,000.00
Total special issues	4,656,911,000.00	145,709,000.00	4,802,620,000.00
Public issues:			
Treasury notes:			
3¼% Series D-1963	25,000,000.00	−25,000,000.00	
5% Series B-1964	10,000,000.00		10,000,000.00
4⅝% Series A-1965	10,000,000.00	6,000,000.00	16,000,000.00
3⅝% Series B-1966		146,000,000.00	146,000,000.00
4% Series A-1966		11,500,000.00	11,500,000.00
3¾% Series A-1967		30,000,000.00	30,000,000.00
3⅝% Series B-1967		7,000,000.00	7,000,000.00
Treasury bonds:			
3% of 1966	10,000,000.00	−10,000,000.00	
3⅜% of 1966		1,000,000.00	1,000,000.00
3¾% of 1966		2,000,000.00	2,000,000.00
3⅝% of 1967	14,000,000.00		14,000,000.00
3⅞% of 1968	2,500,000.00	500,000.00	3,000,000.00
3¾% of 1968	5,000,000.00	21,500,000.00	26,500,000.00
4% of 1969 (dated Aug. 15, 1962)		19,000,000.00	19,000,000.00
4% of 1969 (dated Oct. 1, 1957)	25,100,000.00	1,000,000.00	26,100,000.00
4% of 1971	10,000,000.00		10,000,000.00
3⅞% of 1971		9,000,000.00	9,000,000.00
4% of 1972 (dated Sept. 15, 1962)		28,500,000.00	28,500,000.00
4% of 1972 (dated Nov. 15, 1962)		16,500,000.00	16,500,000.00
3⅞% of 1974	5,000,000.00	11,000,000.00	16,000,000.00
4¼% of 1975-85	5,000,000.00	6,000,000.00	11,000,000.00
3¼% of 1978-83	53,050,000.00		53,050,000.00
4% of 1980		14,000,000.00	14,000,000.00
3½% of 1980	53,000,000.00		53,000,000.00
3¼% of 1985	12,000,000.00	2,000,000.00	14,000,000.00
4¼% of 1987-92		10,000,000.00	10,000,000.00
3½% of 1990	89,221,000.00		89,221,000.00
3½% of 1998	61,200,000.00		61,200,000.00
2¾% Investment Series B-1975-80	745,000,000.00		745,000,000.00
Total public issues	1,135,071,000.00	307,500,000.00	1,442,571,000.00
Total investments, par value	5,791,982,000.00	453,209,000.00	6,245,191,000.00
Unamortized discount	−3,655,861.71	−361,786.73	−4,017,648.44
Unamortized premium	328,947.36	1,133,454.94	1,462,402.30
Accrued interest purchased		2,496,934.19	2,496,934.19
Total investments	5,788,655,085.65	456,477,602.40	6,245,132,688.05
Unexpended balances:			
Trust account	32,050,898.56	−23,653,386.18	8,397,512.38
Deposit accounts, railroad unemployment insurance:			
Benefits and refunds	630,119.22	−431,468.63	198,650.59
Administrative expenses	225,790.45	10,296.63	236,087.08
Temporary extended railroad unemployment benefits	695,002.19	−695,002.19	
Federal extended compensation account	2,086,074.55	14,967,307.39	17,053,381.94
Employment security administration account	6,245,448.08	−1,591,479.72	4,653,968.36
Subtotal	5,830,588,418.70	445,083,869.70	6,275,672,288.40
Accrued interest on investments	7,823,944.97	1,797,142.56	9,621,087.53
Cash advance repayable to trust fund	5,273,762.23	−1,845,063.80	3,428,698.43
Total assets	5,843,686,125.90	445,035,948.46	6,288,722,074.36

ʳ Revised.

TABLE 81.—*Unemployment trust fund, June 30, 1963*—Continued

III. BALANCE OF UNEMPLOYMENT TRUST FUND BY STATES AND OTHER ACCOUNTS AS OF JUNE 30, 1962, OPERATIONS IN 1963, AND BALANCE JUNE 30, 1963

States and other accounts	Balance June 30, 1962	Operations in fiscal 1963				Balance June 30, 1963
		Deposits	Earnings	Transfers	Withdrawals	
Alabama	$47,740,497.05	$36,411,000.00	$1,673,165.17		$27,618,000.00	$58,206,662.22
Alaska	3,333,833.35	7,522,822.22			5,970,000.00	4,886,655.57
Arizona	61,781,788.27	12,379,694.12	1,965,313.10		12,415,000.00	63,711,795.49
Arkansas	28,580,683.18	11,489,322.14	915,238.70		12,600,000.00	28,385,244.02
California	554,709,759.15	485,426,695.93	18,827,409.25	$493,149.00	458,198,172.10	601,258,841.23
Colorado	54,841,413.54	15,056,000.00	1,614,351.37	1,128.74	24,130,000.00	47,382,893.65
Connecticut	152,061,948.00	49,788,000.00	4,946,999.73		45,300,000.00	161,496,947.73
Delaware	9,489,804.70	10,212,000.00	365,733.82		6,638,000.00	13,429,538.52
District of Columbia	62,973,972.34	8,385,600.00	1,997,036.28		9,825,000.00	63,531,608.62
Florida	111,252,902.26	47,320,000.00	3,723,539.54		34,544,058.16	127,752,383.64
Georgia	136,729,416.95	30,328,009.20	4,452,150.76		23,529,000.00	147,980,576.91
Hawaii	18,876,815.05	6,043,464.54	540,425.11		10,075,000.00	15,385,704.70
Idaho	23,858,725.75	8,740,600.00	789,830.12	9,519.19	8,888,200.00	24,510,475.06
Illinois	344,078,485.98	175,209,290.23	11,622,614.11	10,624.00	145,825,000.00	385,096,014.32
Indiana	132,031,949.71	44,762,728.49	4,261,197.84		42,651,000.00	138,404,876.04
Iowa	102,909,976.40	10,629,325.06	3,242,833.86		12,701,499.77	104,080,635.55
Kansas	61,653,836.47	13,209,000.00	1,924,312.08		16,848,336.73	59,938,811.82
Kentucky	94,169,160.08	28,000,000.00	3,045,570.25		26,550,000.00	98,664,730.33
Louisiana	96,179,374.48	29,642,952.50	3,022,622.71	17,365.00	32,600,000.00	96,262,314.69
Maine	22,096,962.79	11,446,120.00	749,842.24		10,354,299.72	23,938,625.31
Maryland	80,083,413.90	64,473,000.00	2,905,250.46		44,050,000.00	103,411,664.36
Massachusetts	175,080,188.63	127,187,177.46	5,808,914.83	13,013.00	128,800,000.00	179,289,293.92
Michigan	174,387,250.29	164,331,830.41	3,033,991.94	508.00	99,825,000.00	241,928,580.64
Minnesota	34,879,274.13	29,950,000.00	1,046,792.56		38,225,000.00	27,651,066.69
Mississippi	29,337,079.31	16,256,000.00	1,018,039.79		12,005,000.00	34,606,119.10
Missouri	189,887,235.12	43,451,104.08	6,122,645.76		42,500,000.00	196,960,984.96
Montana	20,674,914.94	5,508,900.00	656,767.36		6,810,000.00	20,030,582.30
Nebraska	38,046,424.53	8,640,000.00	1,208,841.11		9,818,225.37	38,077,040.27
Nevada	18,067,705.85	10,269,000.00	637,418.99		6,550,000.00	22,424,124.84
New Hampshire	22,939,415.11	7,160,000.00	746,451.85		7,350,000.00	23,495,866.96
New Jersey	309,798,517.22	136,215,000.00	9,619,587.30		158,830,646.17	296,802,458.35
New Mexico	36,654,447.96	6,337,166.00	1,130,056.66	−36,313.00	9,143,161.00	34,942,196.62
New York	1,005,007,840.65	515,293,847.46	33,562,956.53		448,696,244.90	1,105,168,399.74
North Carolina	180,491,226.86	40,025,000.00	5,838,142.14		36,750,000.00	189,604,369.00
North Dakota	4,581,476.97	5,194,110.64	181,619.10		4,155,000.00	5,802,206.71
Ohio	130,373,630.06	151,204,274.97	3,736,661.64		178,789,102.00	106,525,464.67
Oklahoma	31,763,929.36	20,765,000.00	1,082,843.95	8,212.00	17,560,000.00	36,059,985.31
Oregon	43,048,549.58	38,436,268.00	1,655,050.12		26,054,000.00	57,085,867.70
Pennsylvania	123,891,498.88	268,780,000.00	739,833.62	347,725.00	257,300,000.00	136,459,057.50
Puerto Rico	39,290,095.45	16,062,309.41	1,294,193.30		11,708,000.00	44,938,598.16

Rhode Island	33,743,315.63	19,853,000.00	1,142,595.35		17,575,000.00	37,163,910.98
South Carolina	74,346,432.09	14,850,000.00	2,362,256.34		14,760,000.00	76,798,688.43
South Dakota	14,789,647.39	3,112,000.00	480,188.41		3,595,000.00	14,786,835.80
Tennessee	61,629,059.58	34,102,000.00	2,010,790.31		33,386,000.00	64,355,849.89
Texas	241,471,938.87	50,008,951.95	7,441,790.75		67,289,300.00	231,633,381.57
Utah	36,965,905.67	9,575,053.10	1,175,535.19	1,422.00	10,080,000.00	37,637,915.96
Vermont	9,444,408.38	3,599,121.12	290,274.15	54.00	5,420,000.00	7,913,857.65
Virginia	95,669,414.82	27,415,000.00	3,259,538.51		14,891,800.00	111,452,153.33
Washington	192,022,819.44	57,700,034.60	6,190,020.15	37,735.00	55,900,000.00	200,050,609.19
West Virginia	37,919,939.55	28,227,000.00	1,359,342.77		20,000,000.00	47,506,282.32
Wisconsin	193,002,930.52	39,046,605.60	6,048,091.38	1,487,737.50	50,260,031.22	189,325,333.78
Wyoming	6,118,808.95	3,902,158.78	152,859.91		7,300,000.00	2,873,827.64
Subtotal	5,804,760,041.19	3,008,933,538.01	183,619,528.27	[1] 2,391,879.43	2,812,637,077.14	6,187,067,909.76
Railroad unemployment insurance accounts:						
Benefits and refunds	10,826,522.02	139,945,022.89	345,822.10	[2] 37,699,000.00	[3] 175,258,268.47	13,558,098.54
Administrative expenses	3,886,320.47	7,883,888.37	96,552.30		8,850,000.00	3,016,761.14
Federal unemployment account	7,552,972.06		7,375,259.50	[4] 7,445,954.79		22,374,186.35
Employment security administration account	1,504,073.44	948,338,550.59	1,467,336.71	−902,064,335.17	12,111,293.40	37,134,332.17
Federal extended compensation account				(5)		
Temporary extended railroad unemployment insurance account				(6)		
Subtotal all accounts	5,828,529,929.18	4,105,100,999.86	192,904,498.88	−854,527,500.95	3,008,856,639.01	6,263,151,287.96
Railroad unemployment insurance checking accounts:						
Benefits and refunds	630,119.22				431,468.63	198,650.59
Administrative expenses	225,790.45				−10,296.63	236,087.08
Federal extended compensation account	2,086,074.55				−14,967,307.39	17,053,381.94
Employment security administration account	6,245,448.08				1,591,479.72	4,653,968.36
Temporary extended railroad unemployment benefits	695,002.19				695,002.19	
Total	5,838,412,363.67	4,105,100,999.86	192,904,498.88	−854,527,500.95	2,996,596,985.53	6,285,293,375.93
Cash advance repayable to trust fund	5,273,762.23				1,845,063.80	3,428,698.43
Total as shown in parts I and II	5,843,686,125.90	4,105,100,999.86	192,904,498.88	−854,527,500.95	2,998,442,049.33	6,288,722,074.36

[1] Represents reimbursement to certain States pursuant to the provisions of the Temporary Extended Unemployment Compensation Act of 1961.

[2] Advances from railroad retirement account.

[3] Includes $8,945,768.47 repayment of interest on advances from railroad retirement account.

[4] Consists of reduced tax credits to Alaska of $292,241.58 and Michigan of $7,153,713.21.

[5] Transfers of $2,433,000.43 from the general fund were in turn transferred to States as reimbursement for payment of extended compensation in the amount of $2,391,879.43 and to Department of Labor in amount of $41,121.00. Transfers of $466,326,784.00 from employment security administration account were transferred to general fund for repayment of advances made under Temporary Extended Unemployment Compensation Act of 1961.

[6] Amount of $601,407.76 returned to general fund from temporary extended railroad unemployment insurance benefits account.

TABLE 82.—*U.S. Government life insurance fund, June 30, 1963*

[This trust fund operates in accordance with the provisions of the act of June 7, 1924, as amended (38 U.S.C. 755). This act repealed the act of Sept. 2, 1914 (38 Stat. 712), which established a Bureau of War Risk Insurance in the Treasury Department and repealed the amending act of Oct. 6, 1917 (40 Stat. 398). For further details, see annual report of the Secretary for 1941, p. 142]

I. RECEIPTS AND EXPENDITURES (EXCLUDING INVESTMENT TRANSACTIONS)

	Cumulative through June 30, 1962	Fiscal year 1963	Cumulative through June 30, 1963
Receipts:			
Premiums and other receipts	$2,042,829,141.45	$16,925,621.09	$2,059,754,762.54
Interest and profits on investments	1,129,083,942.44	35,113,530.50	1,164,197,472.94
Payments from general fund [1]	166,114.10	−240,088.45	−73,974.35
Total receipts	3,172,079,197.99	51,799,063.14	3,223,878,261.13
Expenditures:			
Benefit payments, dividends, and refunds	2,139,956,338.64	79,131,341.79	2,219,087,680.43
Balance	1,032,122,859.35	−27,332,278.65	1,004,790,580.70

II. ASSETS HELD BY THE TREASURY

Assets	June 30, 1962	Fiscal year 1963, increase, or decrease (−)	June 30, 1963
Investments in public debt securities:			
Special issues, U.S. Government life insurance fund series maturing June 30:			
Treasury certificates:			
3½% of 1963	$6,774,000.00	−$6,774,000.00	
Treasury notes:			
3½% of 1963	67,326,000.00	−67,326,000.00	
3¾% of 1963	670,000.00	−670,000.00	
3½% of 1964	73,100,000.00		$73,100,000.00
3¾% of 1964	670,000.00		670,000.00
3¾% of 1965	670,000.00		670,000.00
Treasury bonds:			
3½% of 1965	73,100,000.00		73,100,000.00
3½% of 1966	73,100,000.00		73,100,000.00
3¾% of 1966	670,000.00		670,000.00
3½% of 1967	73,100,000.00		73,100,000.00
3¾% of 1967	670,000.00		670,000.00
3½% of 1968	73,100,000.00		73,100,000.00
3¾% of 1968	670,000.00		670,000.00
3½% of 1969	73,100,000.00		73,100,000.00
3¾% of 1969	670,000.00		670,000.00
3½% of 1970	73,100,000.00		73,100,000.00
3¾% of 1970	670,000.00		670,000.00
3½% of 1971	73,100,000.00		73,100,000.00
3¾% of 1971	670,000.00		670,000.00
3½% of 1972	73,100,000.00		73,100,000.00
3¾% of 1972	670,000.00		670,000.00
3½% of 1973	73,100,000.00		73,160,000.00
3¾% of 1973	670,000.00		670,000.00
3½% of 1974	73,100,000.00		73,100,000.00
3¾% of 1974	670,000.00		670,000.00
3¾% of 1975	73,770,000.00		73,770,000.00
3½% of 1976	67,799,000.00		67,799,000.00
3½% of 1977		49,963,000.00	49,963,000.00
Total investments	1,027,809,000.00	−24,807,000.00	1,003,002,000.00
Undisbursed balance	4,313,859.35	−2,525,278.65	1,788,580.70
Total	1,032,122,859.35	−27,332,278.65	1,004,790,580.70

[1] Included under premiums and other receipts prior to fiscal 1962. Negative amounts result from adjustments of prior years' receipts.

NOTE.—Policy loans outstanding, on basis of information furnished by the Veterans' Administration, amounted to $97,834,648.27 as of June 30, 1963.

II—Certain other accounts

TABLE 83.—*Colorado River Dam fund, Boulder Canyon project, status by operating years ending May 31, 1933–63*

[On basis of reports from the agency. This fund was established under the act of December 21, 1928 (43 U.S.C. 617a)]

Operating year ended May 31	Charges				Credits			Balance due at end of operating year
	Advances [1]	Interest on advances	Interest on amount outstanding	Total	Repayment of advances [2]	Payment of interest [2]	Credit on interest charges on amounts outstanding	
1933–54	$133,772,940.62	$2,042,052.59	$59,686,359.55	$195,501,352.76	$20,084,554.50	$60,871,747.91	$856,664.23	$113,688,386.12
1955	200,000.00	4,128.08	2,900,306.41	3,104,434.49	1,549,565.51	2,850,434.49	54,000.00	112,338,820.61
1956	−3,062,545.64	204.92	3,228,932.05	166,591.33	318,485.99	3,181,514.01	47,622.96	108,957,788.98
1957	1,374,046.30	2,884.93	3,267,417.08	4,644,348.31	1,552,451.95	3,225,836.26	44,465.75	108,779,383.33
1958	−56,384.72	601.67	3,256,571.26	3,200,788.21	2,802,966.78	3,197,033.22	60,139.71	105,920,031.83
1959	77,369.09	1,875.41	3,174,513.03	3,253,757.53	2,284,836.21	3,115,163.79	61,224.65	103,712,564.71
1960	1,744,127.23	18,655.73	3,109,700.76	4,872,483.72	1,628,127.10	3,071,872.90	56,483.59	103,828,564.84
1961	3,900,481.42	53,589.03	3,125,554.04	7,079,624.49	2,086,133.65	3,113,866.35	65,276.72	105,642,912.61
1962	16,277.14	12,512.19	3,128,822.98	3,157,612.31	2,189,676.18	3,081,323.82	60,011.35	103,469,513.57
1963	17,099.16	868.77	3,102,498.38	3,120,466.31	2,970,293.12	3,029,706.88	73,660.27	100,516,319.61
Total	137,983,410.60	2,137,373.32	87,980,675.54	228,101,459.46	37,467,090.99	88,738,499.63	1,379,549.23	

[1] Excludes $25,000,000 of advances allocated to flood control, repayment of which is deferred to June 1, 1987.

[2] Repayments deposited are applied first to net interest charge, second to advances.

Adjustments of payments between principal and interest are made on Treasury books after the close of the operating year of the project.

TABLE 84—*Refugee Relief Act of 1953, status of loans as of June 30, 1963*

Agency	Loans made	Repayments	Balances due	Estimated number of persons receiving transportation through loans
Tolstoy Foundation, Inc	$85,000.00	$70,000.00	$15,000.00	2,069
United Lithuanian Relief Fund of America, Inc	25,000.00	24,573.09	426.91	540
United Ukrainian American Relief Committee	204,000.00	204,000.00		4,025
American Fund for Czechoslovak Refugees, Inc	70,000.00		70,000.00	1,091
Total	384,000.00	298,573.09	85,426.91	7,725

NOTE.—Under section 16 of the Refugee Relief Act of 1953, approved Aug. 7, 1953 (50 App. U.S.C. 1971n), the Secretary of the Treasury was authorized to make loans not to exceed $5,000,000 in the aggregate to public or private agencies for the purpose of financing inland transportation of immigrants from ports of entry to places of resettlement in the United States. Although no immigrant visas were authorized to be issued under this act after Dec. 31, 1956 (50 App. U.S.C. 1971q), those issued through that date were covered, and the loan program continued until June 30, 1957, at which time funds available for making loans expired.

Federal Aid to States

TABLE 85.—*Expenditures made by the Government as direct payments to States under cooperative arrangements and expenditures within States which provided relief and other aid, fiscal year 1963.*

[On basis of checks issued except where it is not practicable to report certain detail for all payments. The differing basis of such detail is footnoted and a checks-issued figure is used for the total. The differences in amounts between the two bases are included in "Undistributed to States, etc."]

PART A. FEDERAL AID PAYMENTS TO STATES AND LOCAL UNITS

States, Territories, etc.	Department of Agriculture						
	Agricultural experiment stations [1] (1)	Cooperative agricultural extension work [2] (2)	School lunch program [3] (3)	National forests fund [4]—shared revenues (4)	National grasslands—shared revenues [5] (5)	Cooperative projects in marketing [6] (6)	State and private forestry cooperation, etc. [5 7] (7)
Alabama	$1,005,213	$2,184,631	$4,700,748	$214,193		$57,334	$449,055
Alaska	241,388	144,628	129,104	171,592		21,050	56,635
Arizona	450,448	393,361	1,376,761	409,682		11,417	
Arkansas	811,935	1,761,880	2,674,057	712,392	$1,406	42,070	404,955
California	1,074,071	1,611,224	9,093,107	3,140,688	510	155,958	1,204,705
Colorado	559,164	655,792	1,586,364	194,999	22,788	49,319	73,082
Connecticut	408,230	345,662	1,541,466			14,959	116,207
Delaware	309,151	173,195	302,087			27,267	18,712
District of Columbia			258,194				
Florida	539,600	767,578	5,384,651	236,983	6,603	99,112	772,209
Georgia	1,072,999	2,274,300	5,893,960	258,450		101,113	1,148,717
Hawaii	338,549	288,028	943,678			29,900	64,889
Idaho	440,748	509,407	819,599	1,063,435	2,754	9,030	313,030
Illinois	975,004	1,926,757	6,269,111	14,923		61,711	130,092
Indiana	903,119	1,609,201	4,181,444	6,167		110,836	60,929
Iowa	987,204	1,717,769	3,043,558	147	125	93,947	64,248
Kansas	690,621	1,186,890	2,063,931		21,098	125,478	28,334
Kentucky	1,010,054	2,177,742	4,339,648	70,615	625	108,753	329,388
Louisiana	711,195	1,424,469	5,977,667	207,874	263	110,165	506,852
Maine	419,341	426,907	945,316	5,787		97,623	462,019
Maryland	522,395	606,681	2,377,333		1,977	78,705	221,238
Massachusetts	504,606	479,024	3,622,685			66,768	182,666
Michigan	924,315	1,819,299	5,675,786	145,650	4,461	232,083	739,559
Minnesota	862,230	1,643,051	3,722,718	254,750		73,998	569,545
Mississippi	996,398	2,245,716	3,893,192	715,054	−1,878	104,016	548,166
Missouri	921,723	1,974,772	3,944,130	62,791	757	162,050	196,373
Montana	447,429	555,908	643,974	865,119		25,149	189,053
Nebraska	625,655	997,162	1,221,819	19,455	8,603	29,900	22,000
Nevada	299,508	207,065	159,252	40,713			62,896
New Hampshire	341,508	233,646	499,792	73,490		6,685	149,974
New Jersey	513,047	468,172	3,021,789			75,737	177,374
New Mexico	390,063	483,308	1,113,033	132,698	11,123	50,725	101,616
New York	1,117,343	1,687,499	10,537,654		682	144,052	567,220
North Carolina	1,389,470	3,003,246	6,947,668	143,163		144,663	542,768
North Dakota	448,445	724,405	862,903	48	207,280	65,172	38,781
Ohio	1,139,242	2,186,375	7,451,059	5,850	1,628	55,738	226,705
Oklahoma	730,313	1,474,407	2,445,003	97,012	6,570	88,544	179,160
Oregon	607,596	679,296	1,641,669	12,092,170	2,768	93,566	729,623
Pennsylvania	1,209,577	2,200,509	8,409,262	192,483		47,967	343,645
Rhode Island	320,493	126,102	512,003			4,060	62,042
South Carolina	795,808	1,601,341	4,097,531	502,469	696	29,250	530,889
South Dakota	473,448	701,988	677,350	39,841	45,932	19,950	63,158
Tennessee	1,023,541	2,210,131	4,743,241	91,193		57,000	419,506
Texas	1,388,217	3,561,258	8,854,077	317,921	22,304	54,915	493,915
Utah	419,184	399,990	1,187,880	120,280		24,971	63,245
Vermont	334,190	289,830	356,894	69,622		22,072	128,594
Virginia	900,522	1,809,989	4,317,734	60,983	55	88,101	550,309
Washington	710,301	836,791	2,447,830	4,366,747		70,459	838,904
West Virginia	684,937	1,117,522	2,249,386	109,504		48,818	232,033
Wisconsin	923,883	1,673,452	3,356,125	91,884	1	61,640	660,293
Wyoming	360,425	329,151	333,992	118,098	23,744	5,230	39,653
Puerto Rico	936,697	1,490,741	4,656,904	2,174	214		
Virgin Islands			95,428				
Other Territories, etc.[8]			94,861				
Undistributed to States, etc.	[9] 250,000	[10] 9,166,743	40,623	1,879	585		−26,475
Total	36,460,543	70,563,991	167,737,031	27,440,968	393,674	3,359,026	16,048,486

Footnotes at end of table.

TABLE 85.—*Expenditures made by the Government as direct payments to States under cooperative arrangements and expenditures within States which provided relief and other aid, fiscal year 1963*—Continued

PART A. FEDERAL AID PAYMENTS TO STATES AND LOCAL UNITS—Continued

States, Territories, etc.	Department of Agriculture—Continued					Department of Commerce	
	Watershed protection and flood prevention [11]	Special milk program [12]	Removal of surplus agricultural commodities		Commodity Credit Corporation	Bureau of Public Roads-construction	
			Food stamp program [5 13]	Value of commodities distributed	Value of commodities donated [5 14]	Federal-aid highways (trust fund) [15]	Other [5 16]
	(8)	(9)	(10)	(11)	(12)	(13)	(14)
Alabama	$653,002	$1,437,505	$385,204	$2,934,862	$7,715,272	$40,484,565	$93,699
Alaska		34,582		36,327	226,065	21,683,952	3,348,184
Arizona	1,013,357	637,425		1,067,214	1,856,713	43,904,853	2,366,664
Arkansas	1,522,381	772,294	15,618	2,669,874	7,296,326	37,721,083	314,055
California	5,191,706	8,780,203	22,892	2,257,678	9,007,993	252,036,100	4,253,184
Colorado	651,929	862,145		974,748	2,547,456	38,159,445	3,112,916
Connecticut	628,094	1,419,635		332,500	1,387,064	28,665,692	
Delaware	193,229	305,883		263,549	746,924	13,850,637	
District of Columbia		531,180		572,367	1,209,421	31,161,882	
Florida	453,964	1,213,879		1,839,455	4,783,864	53,416,628	258,524
Georgia	1,781,686	1,163,125		1,459,633	5,661,401	63,438,228	378,221
Hawaii	374,117	184,938		252,630	531,242	5,951,706	
Idaho	44,400	226,725		232,323	675,315	24,385,297	3,955,257
Illinois	140,638	6,729,327	290,417	2,725,905	8,597,512	160,846,123	105,775
Indiana	722,224	2,277,390	70,000	1,946,884	4,664,201	73,147,972	4,843
Iowa	1,695,303	1,823,975		1,835,427	4,077,287	34,056,118	
Kansas	1,696,768	1,073,009	608	908,559	2,373,780	27,421,917	
Kentucky	1,170,799	1,751,446	1,336,556	3,809,717	9,481,011	66,080,009	95,860
Louisiana	302,538	756,718	649,464	3,263,280	8,703,161	75,093,165	57,280
Maine	21,050	449,762		618,045	1,608,656	20,156,808	37,710
Maryland	437,869	2,045,074		991,159	2,613,354	37,656,126	
Massachusetts	406,927	3,324,780		872,748	3,193,792	53,053,645	
Michigan	134,143	5,737,380	6,354,426	4,395,621	10,947,127	121,114,691	622,093
Minnesota	536,379	2,585,648	630,808	1,346,773	3,685,812	63,755,112	478,847
Mississippi	3,761,946	1,378,887		3,365,233	9,188,836	39,236,016	185,975
Missouri	704,305	2,904,041	302,660	1,839,691	5,810,410	78,959,926	305,703
Montana	60,757	192,742	113,938	265,499	766,437	39,352,839	3,067,203
Nebraska	491,622	613,700		290,822	758,467	38,413,658	
Nevada	189,995	99,582		48,265	182,303	17,231,331	311,632
New Hampshire	233,834	372,848		207,188	746,359	13,488,017	592,560
New Jersey	187,625	3,065,405		815,807	2,413,191	67,122,500	
New Mexico	855,296	789,396	329,378	1,164,554	3,482,253	33,591,035	1,677,832
New York	713,069	8,990,760		8,643,275	21,716,735	162,658,537	
North Carolina	669,432	2,076,197	210,456	2,832,825	6,855,191	38,085,086	184,393
North Dakota	333,428	392,904		236,930	798,562	17,102,316	337
Ohio	216,500	5,573,564	1,197,105	3,997,725	9,714,776	171,811,261	98,333
Oklahoma	9,317,665	1,021,016		3,981,542	9,790,916	34,829,210	11,435
Oregon	585,108	516,858	300,942	1,061,034	2,498,757	58,901,047	4,924,255
Pennsylvania	1,094,124	4,580,992	3,974,460	8,733,916	21,594,975	137,152,155	114,600
Rhode Island		391,341		194,993	528,339	15,141,608	
South Carolina	309,103	767,206		637,053	2,465,708	26,960,317	88,241
South Dakota	175,383	425,110		461,725	1,215,414	22,426,694	259,972
Tennessee	1,574,475	2,146,750	51,745	2,624,403	7,595,070	98,302,771	6,851
Texas	10,979,285	3,854,418		3,257,665	9,914,692	164,533,100	146,600
Utah	569,345	341,868		514,142	1,460,904	33,087,784	1,451,280
Vermont		211,403		285,096	645,101	18,197,795	−172,603
Virginia	823,606	1,693,932	314,146	989,720	4,172,756	91,947,026	312,808
Washington	1,948,121	1,548,632		1,953,450	4,731,716	58,620,588	2,959,330
West Virginia	924,830	537,877	2,011,542	2,834,548	8,648,785	17,761,269	189,077
Wisconsin	765,799	3,513,366	77,558	1,607,725	4,093,334	58,073,218	152,097
Wyoming	192,810	154,901		194,739	544,285	36,744,122	2,147,301
Puerto Rico	46,340			5,020,968	11,999,824	6,245,456	7,150
Virgin Islands				30,650	121,086		
Other Territories, etc. [8]				110,651	559,102		
Undistributed to States, etc		402,910	−52	5,835,518	−6,767,235	769,720	56,205
Total	57,496,306	94,682,634	18,639,871	101,644,630	251,837,798	2,983,988,155	38,561,680

Footnotes at end of table.

TABLE 85.—*Expenditures made by the Government as direct payments to States under cooperative arrangements and expenditures within States which provided relief and other aid, fiscal year 1963*—Continued

PART A. FEDERAL AID PAYMENTS TO STATES AND LOCAL UNITS—Continued

States, Territories, etc.	Department of Commerce—Con.		Department of Defense [19]			Funds appropriated to the President [19]	
			Army				
	Area redevelopment assistance [17]	State marine schools [18]	Lease of flood control lands—shared revenues	National Guard	Civil defense	Disaster relief [5]	Accelerated public works program [5 20]
	(15)	(16)	(17)	(18)	(19)	(20)	(21)
Alabama	$21,000		$2,548	$717,196	$301,890	$1,003	$855,173
Alaska				79,689	56,884		679,813
Arizona			19	71,756	163,776		
Arkansas	110,000		83,630	99,370	463,522	−21,458	115,686
California		$75,000	84,269	830,736	2,296,501	1,005,183	1,258,306
Colorado			11,044	144,446	447,026		235,573
Connecticut			149	46,731	280,147	−45,197	627,431
Delaware			5,303		59,766	2,824,438	
District of Columbia					86,843		
Florida			8,139	274,662	334,165	102,797	1,129,960
Georgia	130,000		49,362	1,420,968	413,249		350,387
Hawaii				207,286	341,111		
Idaho			78	191,704	92,555	238,678	32,425
Illinois	5,848		80,167		457,609	218,389	252,703
Indiana			1,077	303,999	282,123	132,738	6,938
Iowa			54,156	116,097	123,184	554,746	
Kansas			97,436	159,107	129,479		4,875
Kentucky	321,000		102,422	486,966	150,584	447,097	603,018
Louisiana			29,724	745,123	551,585	19,507	283,478
Maine		75,000		191,463	629,799		
Maryland	183,000		558	10,373	466,420	1,933,321	
Massachusetts	191,000	75,000	3,078	384,339	586,019		343,971
Michigan			1,788	1,095,217	714,201		915,106
Minnesota			1,446	584,728	398,217		185,779
Mississippi	50,000		105,932	1,590,555	153,546	912,500	513,192
Missouri			86,778	378,670	323,165	52,033	28,125
Montana			6,512	285,462	55,624		
Nebraska			44,167	149,219	154,521	74,535	
Nevada				111,923	79,668	288,063	
New Hampshire			2,023	39,376	64,489		133,590
New Jersey			1,371	396,920	554,516	8,031,366	411,000
New Mexico				323,217	68,404		238,654
New York	25,000	75,000	1,920	617,893	4,275,679	2,447,693	579,800
North Carolina			2,833	942,638	411,198	358,887	867,429
North Dakota			168,737	134,001	273,934		
Ohio			3,944	30,960	262,745	−8,366	372,304
Oklahoma	761,100		271,722	11,126	591,081		531,978
Oregon			11,362	147,013	169,853	898,399	385,909
Pennsylvania	357,700		9,378	580,715	1,075,622		423,255
Rhode Island				12,871	177,875		37,625
South Carolina	100,000		1,173	881,665	214,411		350,646
South Dakota			37,165	292,675	68,460	76,920	
Tennessee	244,315		37,023	617,120	202,834		1,271,997
Texas	179,000	75,000	180,107	679,888	588,105	3,685,738	132,625
Utah				219,313	86,993		43,625
Vermont			435	129,342	53,143		
Virginia	16,000		13,764	181,975	286,002	2,747,684	
Washington			5,235	148,213	402,725	855,809	364,468
West Virginia	99,250		898	841,268	91,715	658,961	266,647
Wisconsin	58,500		4,886	699,291	621,761		142,118
Wyoming				234,405	53,562		40,925
Puerto Rico				323,470	48,797		123,110
Virgin Islands					15,732		
Other Territories, etc.[8]						2,000,000	
Undistributed to States, etc.							−1,662
Total	2,852,713	375,000	1,613,757	19,163,140	21,252,816	30,491,463	15,137,980

Footnotes at end of table.

TABLE 85.—*Expenditures made by the Government as direct payments to States under cooperative arrangements and expenditures within States which provided relief and other aid, fiscal year 1963*—Continued

PART A. FEDERAL AID PAYMENTS TO STATES AND LOCAL UNITS—Continued

States, Territories, etc.	Department of Health, Education, and Welfare [19]						
	Office of Education						
	Colleges of agriculture and mechanical arts [21]	Cooperative vocational education [22]	Assistance for school construction	Maintenance and operation of schools	Library services	Defense education activities [6]	Expansion of teaching in education of the mentally retarded
	(22)	(23)	(24)	(25)	(26)	(27)	(28)
Alabama	$277,647	$928,568	$669,030	$5,804,722	$184,761	$528,711	$11,800
Alaska	205,376	103,334	650,647	8,300,302	39,217	119,246	----------
Arizona	230,951	246,448	1,293,364	5,484,907	72,538	236,184	7,333
Arkansas	242,458	645,941	507,855	1,699,354	140,200	688,806	12,600
California	573,580	2,355,655	9,647,345	49,611,477	250,030	5,630,200	8,342
Colorado	241,689	380,069	1,507,471	7,593,341	85,259	430,038	12,200
Connecticut	260,260	410,918	1,471,462	2,507,741	71,325	1,166,114	9,339
Delaware	210,608	188,862	----------	787,474	61,374	204,844	6,100
District of Columbia	----------	120,339	----------	----------	----------	177,002	----------
Florida	317,693	873,648	2,127,875	7,325,249	166,620	2,058,271	11,000
Georgia	293,723	1,069,771	1,071,530	6,715,418	177,556	1,481,900	12,600
Hawaii	215,040	193,015	1,334,600	5,442,358	54,606	206,701	12,200
Idaho	215,858	277,466	782,373	2,016,720	74,029	374,755	13,000
Illinois	439,618	1,874,208	220,995	5,081,456	224,456	3,065,914	11,000
Indiana	310,822	1,144,520	42,647	1,376,905	211,978	1,641,484	12,600
Iowa	265,544	1,019,981	14,023	1,055,233	167,096	1,428,807	14,200
Kansas	251,783	607,185	477,064	6,712,877	76,454	1,291,901	13,400
Kentucky	272,214	1,004,891	33,000	1,519,719	202,339	1,325,270	9,800
Louisiana	277,416	799,165	68,908	1,330,830	157,418	686,117	11,800
Maine	223,038	253,829	103,171	2,267,537	86,338	438,354	11,985
Maryland	273,700	505,819	1,775,671	11,029,662	122,837	1,215,198	11,800
Massachusetts	322,376	733,102	1,674,274	8,331,990	92,618	1,563,844	11,400
Michigan	385,949	1,592,020	2,371,679	2,387,147	244,534	1,189,820	12,600
Minnesota	281,144	1,069,346	142,454	610,160	160,904	1,760,803	12,600
Mississippi	251,772	890,013	132,998	1,508,537	173,211	719,773	12,200
Missouri	302,677	1,149,932	454,179	3,126,435	181,644	613,082	10,600
Montana	216,038	238,635	2,062,591	2,412,763	73,006	453,332	11,400
Nebraska	233,546	496,876	1,457,930	3,031,835	103,329	637,948	12,200
Nevada	206,781	189,916	317,872	1,745,748	48,300	163,501	8,600
New Hampshire	214,426	184,249	31,538	1,430,381	64,845	391,146	13,000
New Jersey	344,200	822,565	1,015,838	7,004,355	111,779	1,898,748	12,600
New Mexico	222,605	216,437	1,310,338	6,033,725	71,851	425,973	7,466
New York	598,897	2,509,857	741,403	6,998,580	280,484	4,575,413	11,700
North Carolina	308,295	1,624,872	783,831	3,202,401	310,305	2,491,741	11,329
North Dakota	215,032	349,694	1,093,374	1,320,101	75,728	502,474	11,400
Ohio	430,710	1,931,636	921,941	6,216,780	294,172	2,467,134	9,400
Oklahoma	255,341	607,939	1,782,204	8,355,248	124,745	1,427,665	13,000
Oregon	242,040	425,476	24,941	1,197,316	105,614	1,118,748	12,523
Pennsylvania	469,049	2,097,225	4,401	5,933,016	355,753	3,315,042	12,600
Rhode Island	220,429	170,238	559,270	2,308,256	50,544	276,239	11,379
South Carolina	256,632	755,702	946,997	4,238,025	177,517	1,413,951	11,400
South Dakota	216,175	351,629	2,053,218	2,839,137	80,565	295,693	10,600
Tennessee	284,786	1,159,938	196,356	2,853,424	207,063	1,212,167	9,800
Texas	427,698	2,019,200	2,234,361	15,046,305	207,082	2,023,165	11,400
Utah	221,169	199,828	860,118	2,725,390	61,932	430,201	11,822
Vermont	209,267	190,306	----------	60,365	63,550	165,328	----------
Virginia	294,290	1,064,585	4,875,857	16,697,163	212,929	1,765,255	10,965
Washington	267,818	618,742	836,537	9,870,270	128,774	1,675,885	14,200
West Virginia	244,220	499,536	7,500	166,329	152,796	861,814	11,800
Wisconsin	293,929	1,134,920	356,656	778,660	174,850	1,902,037	13,000
Wyoming	207,845	165,302	115,367	929,078	53,987	−20,764	9,800
Puerto Rico	255,846	904,261	----------	----------	168,589	761,837	----------
Virgin Islands	----------	46,754	----------	108,841	6,382	50,519	----------
Other Territories, etc.[8]	----------	59,942	68,048	920,303	11,077	60,579	----------
Undistributed to States, etc	----------	----------	----------	12,685,544	----------	----------	----------
Total	14,500,000	41,474,305	53,233,102	276,736,890	7,256,890	62,985,910	545,883

Footnotes at end of table.

TABLE 85.—*Expenditures made by the Government as direct payments to States under cooperative arrangements and expenditures within States which provided relief and other aid, fiscal year 1963*—Continued

PART A. FEDERAL AID PAYMENTS TO STATES AND LOCAL UNITS—Continued

States, Territories, etc.	Department of Health, Education, and Welfare [19]—Continued						
	Public Health Service						
	Control of venereal diseases [5]	Control of tuberculosis	Community health practice and research [23]	Mental health activities	National Cancer Institute	National Heart Institute	Water supply and water pollution control [24]
	(29)	(30)	(31)	(32)	(33)	(34)	(35)
Alabama	$63,864	$151,634	$381,569	$123,506	$75,767	$128,908	$97,300
Alaska	6,862	17,645	35,790	63,632		2,033	8,695
Arizona	44,705	142,040	138,957	66,195	28,667	5,026	39,170
Arkansas	93,910	93,237	243,945	70,331	44,221	67,258	64,872
California	460,133	348,140	984,343	529,487	243,608	398,141	288,045
Colorado	8,613	45,328	171,387	49,720	32,214	76,412	34,960
Connecticut	15,371	31,397	136,259	74,965	29,722	84,820	27,338
Delaware	11,217	14,345	27,239	66,736	22,832	39,878	47,191
District of Columbia	84,594	52,970	42,105	76,772	26,514	69,115	17,875
Florida	215,661	141,598	434,228	189,278	128,814	192,198	117,527
Georgia	332,940	129,533	422,974	164,144	83,889	117,881	113,759
Hawaii	3,216	17,739	1,576,933	66,796	26,489	58,543	39,274
Idaho	7,530	13,330	89,372	66,796	26,514	74,405	27,398
Illinois	351,838	199,071	624,704	301,539	172,227	249,227	139,601
Indiana		69,424	320,378	139,407	72,340	170,684	119,906
Iowa	11,187	30,240	229,925	91,563	35,487	63,898	56,341
Kansas	26,355	25,844	204,020	81,836	41,562	58,756	56,671
Kentucky	48,026	89,497	331,553	124,427	44,774	114,192	93,341
Louisiana	73,940	67,275	338,430	117,664	69,401	50,725	95,529
Maine		18,015	105,205	60,668	26,325	8,000	38,337
Maryland	40,889	86,825	220,040	98,961	52,603	95,000	91,258
Massachusetts	3,115	162,942	339,333	177,726	92,494	172,218	139,595
Michigan	122,100	127,774	542,744	247,352	127,461	239,226	184,390
Minnesota	6,345	39,005	281,438	97,132	44,793	80,264	86,465
Mississippi	46,535	84,215	325,249	92,453	63,349	161,900	83,796
Missouri	69,950	79,852	325,154	139,915	80,740	164,011	69,225
Montana	6,721	16,905	81,969	66,732	27,333	43,082	24,400
Nebraska	8,510	18,877	132,591	55,809	30,430	18,244	27,711
Nevada	17,598	11,663	40,535	57,158	6,400	10,386	11,574
New Hampshire		11,651	59,129	64,542	24,215	14,150	36,045
New Jersey	155,693	121,178	462,215	186,824	94,575	181,858	151,891
New Mexico	40,952	29,098	117,813	66,796	26,514	52,600	32,190
New York	740,554	406,935	998,228	581,540	284,019	406,741	320,756
North Carolina	180,780	78,462	509,562	169,098	96,429	190,226	137,095
North Dakota	16,822	13,945	90,688	65,000	26,415	66,300	26,877
Ohio	16,920	119,697	647,194	306,991	134,773	209,006	200,239
Oklahoma	35,693	40,448	229,977	78,051	51,339	126,884	53,696
Oregon	16,323	28,986	152,359	64,500	25,449	37,754	47,466
Pennsylvania	283,519	359,651	818,997	360,803	209,670	333,234	251,375
Rhode Island	−139	40,739	62,656	65,794	25,951	61,937	51,342
South Carolina	129,504	62,446	300,606	103,541	54,689	149,357	86,049
South Dakota	15,096	12,665	87,742	66,776	4,043	12,027	26,900
Tennessee	110,985	139,315	380,295	145,144	72,915	175,291	109,697
Texas	210,595	204,910	837,444	363,925	176,991	339,585	204,704
Utah	3,542	14,663	107,793	52,775	25,000	22,728	32,294
Vermont		20,637	52,371	66,796	26,490	22,769	27,398
Virginia	90,141	102,584	368,418	138,114	62,882	98,700	106,050
Washington	21,828	31,797	222,771	82,965	48,615	125,735	68,026
West Virginia	21,743	39,596	183,472	66,639	40,189	76,726	62,609
Wisconsin		50,105	314,899	128,453	76,011	160,346	106,884
Wyoming	374	10,386	53,069	64,712	14,758	24,751	18,439
Puerto Rico	34,783	111,791	328,232	95,809	58,529	159,486	25,261
Virgin Islands	6,923	8,273	7,490	36,503	8,774	15,151	21,499
Other Territories, etc.[8]		8,018	5,740	34,800	5,040	12,520	
Undistributed to States, etc							
Total	4,314,356	4,394,336	16,527,529	7,015,591	3,431,245	6,090,293	4,446,326

Footnotes at end of table.

TABLE 85.—*Expenditures made by the Government as direct payments to States under cooperative arrangements and expenditures within States which provided relief and other aid, fiscal year 1963*—Continued

PART A. FEDERAL AID PAYMENTS TO STATES AND LOCAL UNITS—Continued

States, Territories, etc.	Department of Health, Education, and Welfare [19]—Continued						
	Public Health Service—Continued					Welfare Administration [26]	
			Construction			Children's Bureau	
	Chronic diseases and health of the aged	Radiological health	Hospital activities [25]	Waste treatment works	Health research facilities	Maternal and child health services	Services for crippled children
	(36)	(37)	(38)	(39)	(40)	(41)	(42)
Alabama	$226,947	$24,600	$3,136,730	$1,030,193		$733,564	$650,631
Alaska		12,000	849,877	133,740		119,922	130,380
Arizona	60,635	15,499	1,195,887	432,840		212,477	
Arkansas	67,015	16,532	3,307,387	920,739		365,966	372,654
California	911,388	112,108	6,889,858	3,727,339	$65,099	1,378,397	906,610
Colorado	84,763	15,000	2,921,552	704,850		427,395	286,276
Connecticut	61,678	16,532	1,332,582	697,577		376,730	301,310
Delaware	52,928	14,499	926,766	394,076		130,347	127,643
District of Columbia	65,899		607,163	571,800		284,818	222,231
Florida	457,506	38,540	6,597,076	1,181,929	1,443	826,869	569,170
Georgia	126,376	31,101	5,597,502	964,111		717,605	779,008
Hawaii	64,694	15,499	1,702,477	412,601		179,344	192,086
Idaho	52,620	11,000	1,779,503	475,677		199,255	201,548
Illinois	487,739	48,560	6,599,483	1,771,228		711,398	823,243
Indiana	154,192	28,000	2,229,520	1,629,166	45,779	444,812	594,468
Iowa	64,222	7,500	2,883,996	1,102,106		333,312	489,568
Kansas	159,263	15,499	2,918,698	651,353		261,847	281,974
Kentucky	226,001	24,075	3,481,150	875,502		536,390	602,437
Louisiana	65,173	18,040	5,058,230	1,966,812		504,386	585,662
Maine	92,448	15,499	1,178,015	427,080		176,727	132,442
Maryland	183,969	20,768	2,748,784	639,119		386,612	434,917
Massachusetts	394,536	23,400	2,301,240	1,459,097	142,500	416,413	454,105
Michigan	480,151	51,456	5,468,513	1,989,520		877,302	995,025
Minnesota	223,246	28,518	4,029,441	1,266,753		510,088	663,610
Mississippi	297,882	21,388	4,562,142	817,715	1,157,050	581,002	546,727
Missouri	365,000	32,444	4,388,569	819,627		516,652	475,938
Montana	46,846	3,000	509,699	616,801		147,192	189,475
Nebraska	17,913	9,000	2,280,275	970,501		162,301	194,670
Nevada	33,000	5,000	431,758	436,460		124,979	138,718
New Hampshire	38,826	15,449	1,347,760	74,912		89,300	125,602
New Jersey	360,704	36,577	2,875,180	1,061,326		376,986	357,968
New Mexico	65,626	15,499	2,099,210	1,090,127		266,765	235,258
New York	1,033,741	128,020	8,018,352	1,911,061	259,200	1,119,144	936,035
North Carolina	381,955	37,197	7,549,649	1,867,534		876,005	977,404
North Dakota	64,300	15,499	1,120,148	165,940		140,850	139,489
Ohio	543,805	51,900	6,982,423	2,297,975	407,198	915,101	968,474
Oklahoma	214,510	18,289	3,942,865	759,193		364,009	320,503
Oregon	11,251	15,499	2,211,086	1,002,612		195,261	236,246
Pennsylvania	834,615	81,100	10,558,224	1,791,587		1,122,637	1,233,355
Rhode Island	65,961	9,000	904,318	140,540		223,108	157,336
South Carolina	92,640	23,145	7,774,372	571,597		515,125	568,944
South Dakota	23,765	7,999	1,395,189	170,809		88,875	96,015
Tennessee	154,876	35,234	5,057,937	1,603,800		711,801	674,362
Texas	329,542	66,541	10,534,819	2,411,075		1,077,724	1,338,509
Utah	20,000	15,499	1,564,700	379,555		165,133	172,642
Vermont	26,016	9,000	339,968	548,382		128,721	125,262
Virginia	216,321	22,220	4,400,697	987,850	1,367	694,989	665,600
Washington	191,537	23,971	1,478,848	1,034,622	9,400	407,312	346,293
West Virginia	127,173	12,000	2,878,332	927,401		363,836	381,346
Wisconsin	255,662	26,900	4,004,743	1,123,342	69,920	492,103	501,125
Wyoming	37,241	13,000	196,452	73,575		123,108	116,975
Puerto Rico	125,651	18,000	7,850,080	656,963		601,120	677,506
Virgin Islands	50,900	1,000	16,034			108,736	108,060
Other Territories, etc.[8]	14,000		33,568			59,656	27,270
Undistributed to States, etc.							
Total	10,804,648	1,373,595	183,048,827	51,738,090	2,158,956	23,871,507	23,830,105

Footnotes at end of table.

TABLE 85.—*Expenditures made by the Government as direct payments to States under cooperative arrangements and expenditures within States which provided relief and other aid, fiscal year 1963*—Continued

PART A. FEDERAL AID PAYMENTS TO STATES AND LOCAL UNITS—Continued

States, Territories, etc.	Department of Health, Education, and Welfare [19]—Continued						
	Welfare Administration [26]—Continued						American Printing House for the Blind
	Children's Bureau—Continued	Bureau of Family Services					
	Child welfare services	Old-age assistance	Aid to dependent children	Aid to the permanently and totally disabled	Aid to the blind	Medical assistance for the aged	
	(43)	(44)	(45)	(46)	(47)	(48)	(49)
Alabama	$657,665	$66,718,545	$10,965,735	$5,876,313	$764,250	$451,633	$13,243
Alaska	166,523	651,729	832,799		46,446		
Arizona	248,736	7,419,233	10,396,919	777,199	566,235		5,802
Arkansas	423,097	32,947,595	4,556,318	4,389,698	1,173,942	1,034,658	7,315
California	1,569,830	185,200,322	98,159,888	19,967,491	8,138,807	32,764,778	66,760
Colorado	320,804	30,639,939	10,232,724	3,494,279	153,335		7,609
Connecticut	267,884	5,852,573	12,714,609	2,767,355	172,861	7,064,663	16,143
Delaware	107,921	597,493	1,876,681	258,590	169,262		2,060
District of Columbia	123,273	1,995,641	5,190,348	1,803,671	114,203	100,000	2,270
Florida	654,178	40,900,224	18,091,667	8,621,936	1,462,143		20,726
Georgia	707,667	47,246,217	14,221,482	13,548,875	1,616,058		18,119
Hawaii	166,485	694,294	3,848,307	621,084	58,487	745,338	2,859
Idaho	94,995	3,444,675	2,749,568	1,334,365	83,735	1,635,447	1,135
Illinois	937,531	39,112,259	71,172,084	15,138,983	1,569,072	1,966,161	30,395
Indiana	623,977	14,557,280	12,058,439	158,963	1,145,314		15,891
Iowa	539,013	21,321,763	11,126,282	552,951	816,250		8,156
Kansas	366,066	18,103,474	7,483,920	2,721,620	341,566		11,225
Kentucky	633,138	29,268,436	19,392,873	5,724,345	1,484,509	775,433	8,450
Louisiana	612,619	94,191,008	22,303,928	10,309,114	1,791,875		11,645
Maine	202,320	7,619,457	6,031,931	1,523,898	256,908	562,631	2,102
Maryland	384,310	5,535,745	15,633,974	3,751,839	238,498	1,611,844	16,186
Massachusetts	600,622	38,875,549	20,664,048	6,729,562	1,332,407	24,511,281	27,663
Michigan	974,836	30,197,808	32,583,265	3,712,062	962,690	11,392,308	30,017
Minnesota	523,657	30,431,933	12,033,307	1,678,296	662,259		13,159
Mississippi	494,063	30,234,439	8,489,570	5,712,248	1,343,247		7,189
Missouri	565,960	54,931,498	21,718,183	7,741,124	2,178,420		11,982
Montana	157,279	3,475,671	2,011,483	806,050	183,623		2,354
Nebraska	240,588	8,022,403	3,284,251	1,175,709	396,110		4,582
Nevada	93,876	1,707,052	1,244,565		107,845		925
New Hampshire	103,644	3,004,451	1,015,548	322,229	146,105	22,081	2,270
New Jersey	568,956	11,766,098	22,683,602	4,724,350	583,759		27,452
New Mexico	237,241	7,989,380	8,691,631	2,090,364	236,224		4,919
New York	1,342,625	41,753,059	122,977,179	23,194,878	2,345,886	48,863,243	68,484
North Carolina	895,899	23,415,056	24,820,860	12,896,505	2,909,960		23,164
North Dakota	170,543	4,493,428	1,982,487	854,905	60,107	1,749,660	1,261
Ohio	1,236,363	53,743,358	38,416,784	10,106,886	2,219,129		34,767
Oklahoma	420,508	62,808,189	20,111,519	7,469,142	1,090,055	1,254,840	5,339
Oregon	258,285	10,292,667	8,566,259	2,989,277	226,627		9,207
Pennsylvania	1,245,035	29,382,787	82,713,769	10,371,304	3,197,040	6,218,794	50,659
Rhode Island	172,472	3,816,710	5,206,453	1,515,341	72,980		3,910
South Carolina	544,305	12,866,023	5,430,345	4,064,336	923,978	1,174,858	8,155
South Dakota	176,334	5,649,358	2,886,629	682,351	90,750		2,564
Tennessee	640,740	23,162,635	15,730,902	5,616,879	1,140,910	783,599	13,326
Texas	1,156,684	139,010,970	15,039,654	4,353,948	2,992,668		27,999
Utah	227,350	3,804,748	5,574,425	2,933,492	119,388	1,576,122	3,363
Vermont	129,554	4,205,402	1,544,659	622,801	70,201	195,827	925
Virginia	634,676	7,926,203	10,364,177	3,951,033	651,042		15,765
Washington	392,397	30,692,251	14,537,564	7,108,083	432,503	2,309,315	13,117
West Virginia	345,156	7,504,134	33,130,209	3,284,911	411,056	734,118	9,123
Wisconsin	557,091	20,852,108	11,517,726	3,246,483	533,615		11,645
Wyoming	110,600	1,792,260	877,329	347,401	34,143		1,219
Puerto Rico	589,184	2,067,594	5,607,377	1,398,053	101,929	358,322	3,363
Virgin Islands	76,532	101,853	99,826	17,512	3,594	11,104	
Other Territories, etc.[8]	12,676	29,481	81,668	16,365	921	10,389	42
Undistributed to States, etc.							
Total	25,703,763	1,364,024,458	920,677,729	245,076,449	49,924,927	149,878,447	708,000

Footnotes at end of table.

TABLE 85.—*Expenditures made by the Government as direct payments to States under cooperative arrangements and expenditures within States which provided relief and other aid, fiscal year 1963*—Continued

PART A. FEDERAL AID PAYMENTS TO STATES AND LOCAL UNITS—Continued

States, Territories, etc.	Department of Health, Education, and Welfare [19]—Continued	Department of the Interior [19]				
	Vocational Rehabilitation Administration	Federal aid in wildlife restoration and fish restoration and management [27]	Migratory Bird Conservation Act and Alaska game law—shared revenues	Payments from receipts under Mineral Leasing Act—shared revenues	Payments under certain special funds—shared revenues [28]	Bureau of Indian Affairs [29]
	(50)	(51)	(52)	(53)	(54)	(55)
Alabama	$3,317,669	$402,882	$13	$2,571	$113	----------
Alaska	83,333	728,627	5,445	8,572,864	716,115	$599,441
Arizona	598,103	407,047	----------	198,727	349,715	2,855,525
Arkansas	2,375,524	401,574	43,651	91,622	742	----------
California	3,542,251	870,675	525	2,598,917	101,500	----------
Colorado	1,280,488	571,556	2,651	3,235,380	32,282	112,128
Connecticut	379,337	128,194	----------	----------	----------	----------
Delaware	181,072	115,630	218	----------	----------	----------
District of Columbia	334,919	----------	----------	----------	----------	----------
Florida	2,516,951	236,727	14,117	191	792	29,700
Georgia	3,977,039	509,113	25,881	----------	----------	----------
Hawaii	374,652	117,839	----------	----------	----------	----------
Idaho	253,253	358,524	13,989	196,398	44,019	147,800
Illinois	2,094,180	472,868	4,261	----------	----------	----------
Indiana	631,002	491,265	----------	30	----------	----------
Iowa	1,126,864	370,891	2,049	----------	24	50,408
Kansas	708,323	146,347	1,655	155,756	12	16,200
Kentucky	1,045,465	364,729	806	----------	----------	----------
Louisiana	1,877,219	257,486	278,682	118,383	702	----------
Maine	407,559	206,551	1,261	----------	----------	----------
Maryland	978,199	184,290	10,176	----------	----------	----------
Massachusetts	1,384,513	122,932	38	----------	----------	----------
Michigan	1,741,566	971,167	5,081	5,013	2	----------
Minnesota	1,440,539	775,991	2,979	----------	406	395,412
Mississippi	1,347,023	248,906	3,118	3,548	206	----------
Missouri	1,250,926	433,644	1,072	----------	----------	----------
Montana	313,654	456,434	9,818	2,037,772	129,353	235,631
Nebraska	474,860	233,898	31,446	9,030	185	170,000
Nevada	111,267	446,893	4,390	208,620	376,151	106,885
New Hampshire	144,638	102,520	----------	----------	----------	----------
New Jersey	1,596,882	205,401	----------	----------	----------	----------
New Mexico	298,265	575,335	725	9,425,931	55,903	1,731,578
New York	5,376,326	745,681	157	----------	----------	----------
North Carolina	3,189,023	425,443	161	----------	1,820	18,780
North Dakota	450,657	298,843	10,141	384,935	----------	341,878
Ohio	1,945,333	544,058	25	----------	----------	----------
Oklahoma	1,991,716	282,984	10,728	72,169	6,535	569,089
Oregon	687,862	332,403	47,161	203	16,189,934	23,960
Pennsylvania	6,607,300	774,857	176	----------	----------	----------
Rhode Island	570,602	115,221	----------	----------	----------	----------
South Carolina	1,880,594	210,283	4,038	----------	----------	----------
South Dakota	342,888	335,783	4,002	91,853	10,476	718,442
Tennessee	1,834,691	425,711	509	----------	----------	----------
Texas	2,600,725	740,127	11,159	----------	----------	----------
Utah	334,543	317,283	213	6,079,179	33,424	96,167
Vermont	283,210	100,031	178	----------	----------	----------
Virginia	1,663,089	259,782	48	----------	----------	----------
Washington	907,627	416,156	19,998	1,480	23,188	91,000
West Virginia	1,859,672	191,880	----------	----------	----------	----------
Wisconsin	1,124,772	1,000,821	9,680	----------	90	110,000
Wyoming	92,890	495,945	45	13,656,982	105,468	52,850
Puerto Rico	1,130,397	17,643	----------	----------	----------	----------
Virgin Islands	45,243	5,586	----------	----------	7,682,529	----------
Other Territories, etc.[8]	53,809	14,616	----------	----------	----------	----------
Undistributed to States, etc.	----------	----------	----------	----------	----------	----------
Total	73,160,503	19,967,071	582,467	47,147,555	25,861,686	8,472,874

Footnotes at end of table.

TABLE 85.—*Expenditures made by the Government as direct payments to States under cooperative arrangements and expenditures within States which provided relief and other aid, fiscal year 1963*—Continued

PART A. FEDERAL AID PAYMENTS TO STATES AND LOCAL UNITS—Continued

States, Territories, etc.	Department of Labor	Federal Power Commission	Federal Aviation Agency	Housing and Home Finance Agency [19]		
				Office of Administrator		Public Housing Administration
	Unemployment Compensation and Employment Service Administration (trust fund) [30]	Payments under Federal Power Act—shared revenues	Federal airport program [31]	Urban renewal program [32]	Urban planning assistance	Low-rent public housing program
	(56)	(57)	(58)	(59)	(60)	(61)
Alabama	$3,967,310		$862,358	$3,219,951	$48,190	$6,768,114
Alaska	1,302,587	$672	865,049	341,507	33,811	218,661
Arizona	4,090,645	397	578,876		2,933	465,371
Arkansas	3,180,599	4	287,783	3,308,552	153,057	925,040
California	38,776,123	31,914	6,819,772	10,607,332	1,187,917	7,206,082
Colorado	2,993,892	543	2,907,238	926,712	112,049	1,058,812
Connecticut	4,466,785		345,879	14,576,768	310,991	2,868,738
Delaware	780,037		191,400			587,465
District of Columbia	2,803,060			815,732		3,309,933
Florida	6,186,616	3	1,875,966		48,731	3,643,754
Georgia	4,309,520	36	1,135,806	4,485,136	409,019	8,047,826
Hawaii	1,366,156		1,230,551	3,227,762	135,164	534,928
Idaho	1,965,931	5,245	211,010			11,613
Illinois	15,370,239		1,137,584	9,037,936	453,237	13,956,539
Indiana	5,194,535		1,178,542	4,717,301	74,962	1,073,795
Iowa	2,955,064		741,254	2,795,661	126,097	
Kansas	2,460,700		383,295	2,275,072	160,583	153,686
Kentucky	3,342,291		729,654	1,066,540	359,182	3,218,027
Louisiana	4,299,711		1,279,002		115,353	3,581,718
Maine	1,504,718		99,868	118,109	160,024	49,151
Maryland	5,227,049		198,304	10,461,660	246,565	3,963,550
Massachusetts	11,427,038		1,210,233	4,094,187	1,191,449	6,976,861
Michigan	13,508,480	105	1,964,560	13,218,498	1,074,577	3,446,731
Minnesota	4,237,978	11	1,574,358	2,286,412	146,503	1,610,594
Mississippi	2,971,160	24	1,732,307	356,786	34,297	1,785,107
Missouri	5,558,791		1,127,568	3,108,782	208,363	4,895,025
Montana	1,760,320	10,881	583,826		432	158,228
Nebraska	1,549,427		742,730		9,160	323,333
Nevada	1,442,874	898	996,550		18,697	201,195
New Hampshire	1,079,138		172,426	335,535	190,420	487,789
New Jersey	12,777,976		283,304	4,777,217	508,715	12,329,894
New Mexico	1,857,243	3	229,435		139,898	47,043
New York	49,741,177		1,000,474	24,378,607	260,210	26,638,655
North Carolina	5,472,173	31	452,434	2,131,799	293,490	3,466,547
North Dakota	1,292,096		145,137	106,470	17,600	32,662
Ohio	12,027,001		2,495,432	14,957,969	427,544	4,530,799
Oklahoma	4,314,167		1,685,665	145,579	202,248	
Oregon	3,972,303	4,258	545,676	4,619	238,684	233,497
Pennsylvania	23,360,023	3	1,124,860	23,010,867	656,173	12,079,207
Rhode Island	2,959,569			2,201,098	156,320	1,800,709
South Carolina	3,089,937	183	1,760,412	303,097		1,386,569
South Dakota	943,988		39,753			
Tennessee	3,842,328		2,936,584	7,128,600	339,452	5,622,191
Texas	12,712,011		1,097,152	3,824,322	223,827	7,787,701
Utah	2,996,702	1,142	338,323		29,000	
Vermont	828,283		28,583		57,227	
Virginia	3,376,196	16	1,137,915	2,760,467	131,379	4,211,436
Washington	5,796,528	1,899	926,507	256,661	448,090	955,113
West Virginia	2,604,616	3	663,280	1,144,902	173,378	485,307
Wisconsin	4,653,601	66	1,121,816	2,992,164	612,320	702,100
Wyoming	984,164	106	65,759		8,940	
Puerto Rico	2,527,298	13	251,188	1,383,714	442,715	6,027,192
Virgin Islands	96,112			24,000	10,000	475,623
Other Territories, etc.[8]	19,017					
Undistributed to States, etc.	8,106,763					
Total	330,430,044	58,453	51,493,441	186,914,083	12,388,967	170,339,912

Footnotes at end of table.

TABLE 85.—*Expenditures made by the Government as direct payments to States under cooperative arrangements and expenditures within States which provided relief and other aid, fiscal year 1963*—Continued

PART A. FEDERAL AID PAYMENTS TO STATES AND LOCAL UNITS—Continued

States, Territories, etc.	Small Business Administration	Tennessee Valley Authority	Veterans' Administration		Miscellaneous grants [5]	Total grant payments (Part A)
	Grants for research and management counseling [5]	Shared revenues [33]	State homes for disabled soldiers and sailors [34]	Approval and supervision of training establishments [35]		
	(62)	(63)	(64)	(65)	(66)	(67)
Alabama		$1,602,730		$37,932		$185,121,762
Alaska					[36] $3,110,437	55,984,637
Arizona	$1,312			10,743		92,650,787
Arkansas				14,897		122,552,025
California	4,000		$1,656,601	128,990	[37] 17,009,749	825,109,563
Colorado	4,000		68,225		[38] 15,014	123,566,433
Connecticut	3,909		562,118	5,322	[39] 46,239	97,402,578
Delaware						27,282,929
District of Columbia	541				[40] 30,396,242	83,228,917
Florida				35,989		179,935,377
Georgia	5,000	67,009	196,963	28,462		207,954,348
Hawaii					[41] 7,344,732	41,790,923
Idaho	9,250		39,939		[42] −189	52,612,611
Illinois	3,200		469,530	58,048		386,209,623
Indiana	5,700		173,064	20,943	[39] 31,737	143,343,857
Iowa			212,470	20,087		102,372,804
Kansas			44,915	7,290		87,737,937
Kentucky	11,000	1,076,543		23,385		173,356,714
Louisiana	10,310			41,918		252,817,102
Maine	3,895					50,558,682
Maryland						118,622,204
Massachusetts	3,760		736,023	21,000		206,208,532
Michigan	10,000		582,141	13,846		297,604,462
Minnesota			241,684	32,201		150,798,029
Mississippi		282,684		12,157		136,531,268
Missouri			55,039	26,595		216,136,701
Montana			53,543	4,654		66,532,571
Nebraska	17,000		115,053	6,125		70,621,691
Nevada	3,213					30,390,039
New Hampshire	4,000		28,186	4,988		28,582,513
New Jersey			171,779			177,894,265
New Mexico				7,211		90,847,757
New York	2,241		5,796	508		606,355,657
North Carolina	3,000	112,414		32,344		168,012,616
North Dakota	3,500		63,608	5,278		39,773,455
Ohio			442,260	40,911		373,579,536
Oklahoma			362,545	20,020		187,764,436
Oregon	3,798			6,422		138,051,777
Pennsylvania	4,000		165,373	50,120	[43] 39,801	423,573,336
Rhode Island			221,392	9,324		41,736,351
South Carolina	907			14,480		92,228,246
South Dakota	20,000		123,285	4,658		47,439,217
Tennessee		4,156,040		24,294		211,914,543
Texas				45,543	[42] −122	444,588,773
Utah				1,961	[44] 94,500	71,638,913
Vermont			44,312	911		30,745,644
Virginia	10,000	25,998		8,266	[45] 150,000	181,381,577
Washington			339,402	384		165,984,528
West Virginia	−2,921			18,276		98,991,024
Wisconsin	8,000		193,114	9,356		137,798,044
Wyoming	4,000		9,901			62,364,800
Puerto Rico				3,826	[46] 56,789,041	122,434,438
Virgin Islands	4,170				[47] 1,263,296	10,781,715
Other Territories, etc.[8]					[48] 22,338,400	26,662,559
Undistributed to States, etc.						30,521,066
Total	160,784	7,323,419	7,378,261	859,665	138,628,874	8,596,681,878

Footnotes at end of table.

TABLE 85.—*Expenditures made by the Government as direct payments to States under cooperative arrangements and expenditures within States which provided relief and other aid, fiscal year 1963*—Continued

PART B. FEDERAL AID PAYMENTS TO INDIVIDUALS, ETC., WITHIN THE STATES

States, Territories, etc.	Department of Agriculture						Department of Commerce
	Agricultural conservation program [49]	Sugar Act program	Conservation reserve program	Land-use adjustment program	Great Plains conservation program	Rural housing grants	State marine schools (subsistence of cadets)
	(68)	(69)	(70)	(71)	(72)	(73)	(74)
Alabama	$6,726,199		$4,909,369			$59,835	
Alaska	1,632,142						
Arizona	1,665,198		37,488			20,332	
Arkansas	5,191,687		6,646,741	$28,656		334,895	
California	4,137,181	$9,213,812	2,351,020	20,337			$150,861
Colorado	3,418,924	6,835,438	9,044,571	1,236	$777,912	2,970	
Connecticut	518,005		81,330	3,193			
Delaware	327,165		291,135				
District of Columbia							
Florida	2,779,316	3,309,745	2,071,678	520		17,410	
Georgia	7,392,114		11,778,935	195,436		21,130	
Hawaii	138,215	10,184,393					
Idaho	2,231,413	5,876,424	3,164,670	288,826		3,500	
Illinois	9,698,205	43,142	7,124,574	227			
Indiana	6,198,048	64,578	8,453,682	620			
Iowa	10,822,132	8,382	10,557,378	220,399			
Kansas	6,452,741	507,777	16,246,533	279,663	581,142	7,125	
Kentucky	8,206,871	14,362	5,962,892	4,137		15,300	
Louisiana	4,452,501	7,581,750	2,846,468	6,614		1,000	
Maine	1,013,533		1,298,512	751,633		22,620	175,125
Maryland	1,278,811		1,204,645				
Massachusetts	577,049		48,285	7,817			109,078
Michigan	5,300,689	2,458,928	8,572,085	15,844		12,810	
Minnesota	6,376,099	2,781,310	18,729,170	315,267		7,930	
Mississippi	6,531,079		3,904,877	353,664		83,615	
Missouri	9,953,243	17,769	10,914,794	98,250		95,525	
Montana	3,782,104	2,110,295	5,341,448	1,000	495,724	1,000	
Nebraska	7,085,542	2,526,413	9,867,202	3,376	866,431	1,380	
Nevada	442,392	9,070					
New Hampshire	547,347		151,313	8,933		1,000	
New Jersey	772,209		783,154				
New Mexico	1,915,071	4,422	6,306,616		469,637	2,260	
New York	4,188,258		5,735,153	9,283		3,400	335,364
North Carolina	7,352,055		3,955,087	385,489		47,715	
North Dakota	4,558,770	1,413,762	24,580,607	513,172	492,963	3,000	
Ohio	6,211,153	837,909	8,212,475	5,208		1,000	
Oklahoma	7,480,457	122,228	14,355,043	26,325	534,684	12,935	
Oregon	3,021,563	1,177,038	2,933,488	101			
Pennsylvania	4,563,314		5,144,164	51,083		6,000	
Rhode Island	81,380		872				
South Carolina	3,704,337		7,904,565	443		950	
South Dakota	4,065,622	297,292	17,072,599	5,740	391,509	4,720	
Tennessee	5,774,179		7,012,638	13,372		1,000	
Texas	20,669,776	86,209	31,486,908	8,479	2,311,025	17,305	8,479
Utah	1,573,389	1,047,222	1,820,848	216,952			
Vermont	1,073,257		416,987	1,289			
Virginia	4,510,367		1,631,589	17,001			
Washington	2,397,641	3,110,792	3,971,728				
West Virginia	1,712,012		825,321			3,168	
Wisconsin	5,932,638		9,261,701	136,000		1,000	
Wyoming	2,209,088	1,606,632	945,663		148,546	2,500	
Puerto Rico	958,254	5,665,353				155,700	
Virgin Islands							
Other Territories, etc.[8]							
Undistributed to States, etc							
Total	219,600,735	68,912,447	305,958,001	3,995,585	7,069,573	972,030	778,908

Footnotes at end of table.

TABLE 85.—*Expenditures made by the Government as direct payments to States under cooperative arrangements and expenditures within States which provided relief and other aid, fiscal year 1963*—Continued

PART B. FEDERAL AID PAYMENTS TO INDIVIDUALS, ETC., WITHIN THE STATES—Continued

States, Territories, etc.	Department of Defense			Department of Health, Education, and Welfare			
	Army	Air Force		Office of Education			
	National Guard [50]	National Guard [50]	Civil defense [51]	Defense educational activities [5]	Cooperative research	Expansion of teaching in education of the mentally retarded [5]	Expansion of teaching in education for the deaf
	(75)	(76)	(77)	(78)	(79)	(80)	(81)
Alabama	$5,650,205	$2,591,341	$41,522	$446,061	$2,491	----------	$22,360
Alaska	1,534,622	1,193,714	25,633	189	9,270	----------	----------
Arizona	1,570,375	3,223,146	34,841	841,011	46,434	----------	35,381
Arkansas	3,859,464	2,160,496	43,761	207,586	4,925	----------	33,170
California	12,453,066	7,563,196	112,090	3,945,542	975,406	$32,087	109,903
Colorado	1,318,547	3,143,514	44,427	962,070	81,493	24,667	32,280
Connecticut	3,583,608	2,019,795	17,174	804,925	29,776	−1,229	----------
Delaware	1,720,660	1,359,134	12,331	132,378	33,486	----------	----------
District of Columbia	961,377	1,847,589	23,539	1,022,056	24,222	----------	70,125
Florida	3,675,747	2,060,891	165,722	993,754	114,798	----------	----------
Georgia	5,323,994	3,948,465	88,224	1,049,491	52,197	24,400	22,620
Hawaii	4,749,703	3,607,252	31,201	169,740	6,000	----------	----------
Idaho	1,821,719	1,466,697	33,041	245,458	----------	----------	----------
Illinois	7,318,072	3,486,306	79,315	2,318,404	451,171	22,800	103,080
Indiana	4,567,247	2,411,500	72,835	1,802,016	63,587	----------	40,776
Iowa	3,536,291	3,308,038	62,748	634,067	94,235	----------	----------
Kansas	2,944,488	2,615,783	61,006	630,407	32,463	4,175	35,005
Kentucky	2,383,414	1,541,777	61,131	298,937	19,824	----------	----------
Louisiana	3,711,622	1,942,588	110,525	634,529	18,659	----------	----------
Maine	1,652,849	1,793,436	34,893	270,946	----------	----------	----------
Maryland	5,275,232	2,038,071	42,983	435,254	----------	----------	----------
Massachusetts	7,183,632	3,069,681	22,566	1,715,337	234,275	10,500	82,852
Michigan	7,179,491	3,603,965	2,928	2,031,242	689,993	34,200	32,777
Minnesota	5,063,076	3,038,407	93,385	866,582	130,730	24,000	28,589
Mississippi	4,745,752	2,248,019	70,864	262,783	22,469	----------	----------
Missouri	3,919,934	3,615,414	65,713	1,061,518	100,308	10,500	84,708
Montana	1,786,894	1,639,732	11,981	206,286	----------	----------	----------
Nebraska	1,877,641	1,559,367	47,329	387,247	70,993	----------	10,772
Nevada	668,549	1,087,814	551	175,221	----------	----------	----------
New Hampshire	1,076,881	1,093,696	400	346,765	----------	----------	22,750
New Jersey	8,576,276	3,057,882	65,362	884,617	59,277	9,000	23,510
New Mexico	2,144,934	1,755,625	57,676	365,437	----------	----------	21,088
New York	15,065,683	6,590,933	18,574	5,004,705	603,049	56,000	221,322
North Carolina	4,489,832	1,399,142	49,036	973,742	72,510	----------	4,162
North Dakota	1,237,115	1,604,876	17,675	545,082	1,576	----------	23,867
Ohio	6,939,259	5,822,576	82,749	1,448,204	107,417	23,200	55,485
Oklahoma	3,804,728	2,880,584	78,544	665,711	12,528	----------	11,333
Oregon	2,849,490	2,060,779	43,386	1,034,328	45,718	10,500	56,245
Pennsylvania	11,468,738	5,591,912	108,584	2,075,449	336,227	46,020	54,632
Rhode Island	1,893,509	1,166,520	27,156	401,173	25,801	----------	----------
South Carolina	4,279,650	1,341,932	50,494	180,971	31,044	----------	----------
South Dakota	1,836,603	1,729,754	6,300	115,976	----------	----------	18,586
Tennessee	3,966,501	4,586,027	69,701	990,060	28,119	24,000	45,928
Texas	7,965,365	5,144,529	202,819	1,560,366	138,046	24,000	26,802
Utah	2,333,475	1,988,534	856	417,913	79,194	----------	19,305
Vermont	1,474,508	1,645,838	33,681	56,422	----------	----------	----------
Virginia	5,775,638	895,238	14,142	467,397	86,835	10,929	----------
Washington	4,308,560	2,323,446	66,247	1,077,636	----------	----------	----------
West Virginia	1,368,405	2,198,706	35,340	258,772	----------	----------	----------
Wisconsin	3,495,721	3,716,092	57,215	1,035,688	219,064	24,000	27,351
Wyoming	1,019,247	1,048,058	34,456	381,764	----------	----------	----------
Puerto Rico	2,921,283	1,903,582	92,447	124,946	----------	----------	----------
Virgin Islands	----------	----------	----------	----------	----------	----------	----------
Other Territories, etc. [8]	----------	----------	----------	----------	----------	----------	----------
Undistributed to States, etc	[52] 122,421,525	[52] 105,090,701	----------	−6,073	----------	----------	----------
Total	334,750,197	241,822,088	2,727,099	44,958,088	5,155,610	413,749	1,376,764

Footnotes at end of table.

TABLE 85.—*Expenditures made by the Government as direct payments to States under cooperative arrangements and expenditures within States which provided relief and other aid, fiscal year 1963*—Continued

PART B. FEDERAL AID PAYMENTS TO INDIVIDUALS, ETC., WITHIN THE STATES—Continued

States, Territories, etc.	Department of Health, Education, and Welfare—Continued						
	Public Health Service						
	Mental health activities	Arthritis and metabolic disease activities [5]	Allergy and infectious disease activities	Neurology and blindness activities	Chronic disease and health of the aged	National Cancer Institute	National Heart Institute
	(82)	(83)	(84)	(85)	(86)	(87)	(88)
Alabama	$241,873	$522,047	$160,740	$123,216	$60,759	$383,565	$594,499
Alaska	5,548	286	----------	----------	----------	785	----------
Arizona	180,241	69,085	192,698	164,625	----------	140,205	33,684
Arkansas	301,995	389,195	73,206	72,797	----------	118,688	205,262
California	9,889,969	6,862,624	4,788,525	5,481,422	391,572	5,338,548	7,950,925
Colorado	1,210,219	574,471	942,228	250,507	50,172	647,680	583,699
Connecticut	2,426,654	899,315	594,703	667,176	88,860	1,121,013	791,905
Delaware	26,195	2,213	20,021	----------	----------	34,631	24,575
District of Columbia	2,279,116	1,195,933	854,775	397,956	113,835	683,963	1,538,641
Florida	1,047,713	822,236	1,191,223	990,289	84,385	1,066,046	1,100,221
Georgia	799,626	653,442	387,227	408,604	40,158	442,243	1,671,993
Hawaii	173,870	21,288	150,710	14,674	51,088	11,602	54,637
Idaho	55,558	16,865	31,457	----------	----------	1,309	5,924
Illinois	4,512,524	3,615,156	2,784,193	2,348,089	----------	2,936,310	3,630,512
Indiana	1,275,481	620,238	693,063	574,501	----------	391,519	968,016
Iowa	582,487	775,225	314,405	1,007,116	----------	271,931	615,195
Kansas	1,243,666	457,738	423,838	258,549	----------	439,099	247,657
Kentucky	473,991	583,492	214,288	207,503	----------	249,002	718,033
Louisiana	780,756	522,006	1,186,148	1,470,305	5,665	875,862	1,878,413
Maine	204,639	57,835	21,745	----------	----------	684,655	105,149
Maryland	2,507,230	2,930,819	1,365,689	2,338,439	25,558	2,094,596	2,562,088
Massachusetts	8,221,724	7,860,081	2,391,223	5,314,582	158,531	5,707,843	7,263,310
Michigan	3,276,319	2,604,606	606,480	1,655,827	24,065	1,469,858	1,989,292
Minnesota	1,327,917	2,590,328	1,089,182	2,008,425	51,643	989,728	3,504,575
Mississippi	203,757	296,070	213,539	122,979		61,276	578,395
Missouri	2,151,837	1,831,088	807,426	1,613,038	66,018	972,420	1,588,390
Montana	186,389	−2,916	155,953	28,383	----------	61,775	20,406
Nebraska	800,154	154,597	96,256	99,031	----------	171,275	322,193
Nevada	76,889	16,100	----------	12,554	47,240	----------	----------
New Hampshire	63,849	209,510	69,460	109,464	2,500	269,477	283,060
New Jersey	1,390,148	707,343	752,293	535,688	29,147	835,450	758,125
New Mexico	121,342	30,405	12,927	19,160	----------	63,029	156,401
New York	14,973,645	10,237,871	6,002,414	9,632,825	500,477	11,772,936	10,768,688
North Carolina	1,899,579	1,746,344	506,556	774,141	18,589	1,424,909	2,741,807
North Dakota	61,704	97,989	37,919	----------	4,127	23,349	23,035
Ohio	2,518,608	2,443,810	1,097,315	956,748	53,152	1,113,147	3,488,046
Oklahoma	514,891	757,319	277,709	278,360	53,309	405,946	946,090
Oregon	655,980	866,479	295,189	1,073,967	36,493	783,034	1,745,970
Pennsylvania	4,500,438	4,261,053	2,375,219	2,960,357	102,564	4,579,495	5,544,467
Rhode Island	440,455	188,993	53,447	370,533	13,587	337,093	25,240
South Carolina	191,635	92,179	1,838	114,547	----------	75,274	456,758
South Dakota	105,933	42,368	59,552	----------	----------	18,771	94,430
Tennessee	1,359,482	1,283,051	446,621	577,680	----------	793,622	1,506,140
Texas	1,530,053	1,845,206	1,192,106	612,502	43,851	3,729,742	2,171,118
Utah	641,034	1,103,975	215,400	536,406	----------	571,710	335,753
Vermont	180,027	305,084	151,464	152,613	----------	78,161	359,491
Virginia	315,908	759,261	268,117	805,857	22,016	400,509	912,181
Washington	983,214	2,157,652	626,223	828,349	54,633	863,988	1,547,337
West Virginia	51,647	368,277	69,746	86,918	23,114	105,878	211,177
Wisconsin	1,333,401	1,321,101	1,049,060	690,248	16,634	3,576,299	2,023,753
Wyoming	71,210	−85	34,974	----------	----------	1,350	14,539
Puerto Rico	269,805	316,755	150,100	175,130	41,535	193,635	170,535
Virgin Islands	----------	----------	----------	13,390	----------	----------	----------
Other Territories, etc.[8]	1,042,096	2,076,369	2,305,192	2,259,602	----------	2,047,308	2,429,996
Undistributed to States, etc.	----------	----------	----------	----------	----------	----------	----------
Total	81,680,421	70,159,772	39,801,782	51,195,072	2,275,277	61,431,539	79,261,726

Footnotes at end of table.

TABLE 85.—*Expenditures made by the Government as direct payments to States under cooperative arrangements and expenditures within States which provided relief and other aid, fiscal year 1963*—Continued

PART B. FEDERAL AID PAYMENTS TO INDIVIDUALS, ETC., WITHIN THE STATES—Continued

States, Territories, etc.	Department of Health, Education, and Welfare—Continued						
	Public Health Service—Continued						
	National Institute of Dental Research [5]	Community health practice and research	Cancer research facilities	Hospital and medical facility research [5]	General research and services	General research support grants	Nursing services and research [5]
	(89)	(90)	(91)	(92)	(93)	(94)	(95)
Alabama	$391,002	$9,559			$742,283	$165,996	$74,022
Alaska					335,922		
Arizona	22,791	10,250			200,130		48,127
Arkansas		8,480			270,395	98,877	65,016
California	865,029	971,581	$150,000	$242,956	10,450,452	2,348,067	640,901
Colorado	6,843	15,943		9,431	1,025,170	282,586	472,757
Connecticut	23,839	180,624		39,663	2,919,337	340,931	139,165
Delaware					61,399		
District of Columbia	346,138	21,671		12,923	923,475	409,859	269,534
Florida	84,286	29,139			1,616,078	356,136	87,846
Georgia	254,860	73,239		12,561	1,293,567	312,276	194,828
Hawaii		2,897			260,140		−6,682
Idaho							
Illinois	1,168,043	101,623		17,252	6,095,872	1,270,558	97,164
Indiana	429,436	56,635			1,762,283	297,488	157,640
Iowa	232,815	73,737	50,000		1,160,125	214,726	49,494
Kansas	14,688	29,262		75,516	1,028,902	170,665	31,549
Kentucky	45,525	34,442			684,955	226,544	59,941
Louisiana	63,237	197,397		18,036	1,828,795	402,669	32,932
Maine		6,660			113,586	69,224	
Maryland	279,042	391,683		36,410	5,433,213	641,017	157,371
Massachusetts	1,674,878	498,837		235,437	9,502,486	1,766,792	682,817
Michigan	589,863	667,407		146,032	3,734,933	694,768	309,439
Minnesota	251,060	469,844		103,678	2,162,106	548,345	126,070
Mississippi		3,115			335,265	95,516	4,157
Missouri	348,219	56,282		−7,169	3,021,718	645,336	332,838
Montana					37,789		170,502
Nebraska	131,869			7,072	230,179	194,530	
Nevada					9,921		5,260
New Hampshire					680,096	96,230	48,117
New Jersey	87,167	20,876		14,797	1,587,936	211,784	9,240
New Mexico	13,860	24,389			270,988	50,291	10,080
New York	1,668,525	550,339		113,739	12,509,934	3,980,230	1,429,438
North Carolina	254,544	624,312		24,000	3,577,728	516,666	97,941
North Dakota	2,472		309,592		82,057	40,622	27,196
Ohio	391,922	101,648		177,256	4,433,035	765,369	302,652
Oklahoma	47,976	83,543	115,921	5,000	907,228	160,191	14,163
Oregon	354,464	53,287		43,059	911,979	218,062	71,596
Pennsylvania	1,350,041	274,485	818,057	198,269	5,697,993	1,831,406	550,175
Rhode Island	4,701				791,505		−1,353
South Carolina	25,379	11,235			62,409	74,689	15,162
South Dakota	22,685	12,307			−802	37,940	4,736
Tennessee	193,496	9,173			1,837,165	465,515	11,843
Texas	370,022	52,745			2,180,522	787,922	126,951
Utah	−3,285	36,238			903,104	168,270	49,081
Vermont	10,213				387,723	80,924	
Virginia	128,842	20,893			685,341	279,725	3,139
Washington	458,017	96,965		14,582	2,245,297	334,926	208,950
West Virginia	71,759				107,221	87,089	439
Wisconsin	257,629	71,010		13,808	2,207,079	426,824	132,943
Wyoming					12,601		
Puerto Rico	58,216	249,919			257,651	144,702	47,344
Virgin Islands							
Other Territories, etc.[8]	347,063				3,403,793		
Undistributed to States, etc.							
Total	13,339,171	6,203,671	1,443,570	1,554,308	102,980,059	22,312,283	7,362,521

Footnotes at end of table.

TABLE 85.—*Expenditures made by the Government as direct payments to States under cooperative arrangements and expenditures within States which provided relief and other aid, fiscal year 1963*—Continued

PART B. FEDERAL AID PAYMENTS TO INDIVIDUALS, ETC., WITHIN THE STATES—Continued

States, Territories, etc.	Department of Health, Education, and Welfare—Continued						
	Public Health Service—Continued						
	Water supply and water pollution control [5]	Air pollution	Milk, food, interstate and community sanitation [53]	Occupational health [5]	Radiological health [5]	Accident prevention	Hospital construction activities
	(96)	(97)	(98)	(99)	(100)	(101)	(102)
Alabama			$72,694			$20,595	$18,257
Alaska	$37,968						
Arizona	12,799		28,597				
Arkansas	12,367						
California	598,220	$884,226	502,387	$101,575	$99,050	354,733	137,825
Colorado	85,411	20,246	21,938	35,496	74,425		
Connecticut	5,633				10,372		
Delaware							
District of Columbia	52,472	18,537	121,762	−2,652	12,498	104,839	15,836
Florida	223,767	61,051	122,286	20,050	108,511	3,744	
Georgia	18,725	53,274	46,550	67,381	159,533		13,788
Hawaii			116,211				36,531
Idaho							
Illinois	200,189	60,422	186,446	16,780	69,445		24,325
Indiana	16,513		52,678	32,072	16,500	200,724	41,782
Iowa	70,742		148,436	12,690	11,747	12,540	
Kansas	25,675	13,212	44,445	18,366	3,433		2,351
Kentucky	13,544						
Louisiana	14,293	54,971	10,235		28,583	67,470	
Maine	20,147				27,100		9,508
Maryland	196,162	99,028	25,549	36,744	172,831		107,684
Massachusetts	260,691	204,805	268,155	155,120	152,240	45,945	10,946
Michigan	307,147	184,908	134,717	89,394	87,181	72,766	10,001
Minnesota	104,974	97,910	112,726	125,666	32,611		64,408
Mississippi	3,296		14,975		8,117	35,554	
Missouri	146,315	6,100	46,895	7,833	46,557	68,018	23,162
Montana	74,620		28,938				
Nebraska	−6,032	28,610	3,989				
Nevada							
New Hampshire	14,646	16,066	8,974		1,500		
New Jersey	81,421	74,530	27,862		49,967		23,140
New Mexico							
New York	302,159	305,621	191,196	263,849	429,606	631,866	104,342
North Carolina	109,670	78,316	105,247	52,356	44,901		28,568
North Dakota	48,801		5,500				
Ohio	62,301	177,430	158,805	163,915	76,017	79,580	10,604
Oklahoma	143,626			56,955	20,068		
Oregon	214,166		288,925		8,000		
Pennsylvania	80,743	284,085	108,913	288,567	53,497	171,732	23,100
Rhode Island	100,310						
South Carolina	15,320	17,610					
South Dakota			4,480		10,713		
Tennessee	86,263			18,596	50,000		
Texas	163,128	58,123	37,484	44,902	59,686		
Utah	70,715	38,468	46,665		113,020		
Vermont							
Virginia	75,351	11,400	26,516		−2,095		
Washington	133,050	4,080	139,503	12,880	28,822	6,012	46,177
West Virginia	8,740	11,000	28,852				30,363
Wisconsin	221,230	54,666	112,646	21,592	33,820		
Wyoming			3,152				
Puerto Rico							
Virgin Islands							
Other Territories, etc. [8]	32,739	19,100	332,378	11,500	66,033		
Undistributed to States, etc.							
Total	4,460,017	2,937,795	3,737,707	1,651,627	2,164,289	1,876,118	782,698

Footnotes at end of table.

TABLE 85.—*Expenditures made by the Government as direct payments to States under cooperative arrangements and expenditures within States which provided relief and other aid, fiscal year 1963*—Continued

PART B. FEDERAL AID PAYMENTS TO INDIVIDUALS, ETC., WITHIN THE STATES—Continued

States, Territories, etc.	Department of Health, Education, and Welfare—Continued						
	Public Health Service—Continued	Welfare Administration [26]					
		Children's Bureau			Bureau of Family Services	Office of the Commissioner	
	Construction of health research facilities (103)	Maternal and child health services (104)	Services for crippled children (105)	Child welfare research and demonstration grants (106)	Assistance to repatriated U.S. nationals [54] (107)	Cooperative research [5] (108)	Assistance to refugees in the United States (109)
Alabama	$154,112						$4,641
Alaska							
Arizona	6,045						
Arkansas							
California	2,396,832	$92,056	$267,042	$77,330	$12,257		111,306
Colorado	355,247		12,075	7,648	347		21,864
Connecticut	292,097			7,350			37,746
Delaware							
District of Columbia	63,611		86,367	98,267	201,621	$18,500	15,038
Florida	334,799			2,860	123,007	−486	37,948,408
Georgia	70,991	19,753		2,690	400	−143	5,337
Hawaii							
Idaho							
Illinois	3,727,798			85,462	2,672	220,139	306,118
Indiana	590,400					11,703	20,613
Iowa	301,333			2,490			9,030
Kansas	227,779		48,839			35,912	2,444
Kentucky	177,249			7,578			1,638
Louisiana	1,307,446	15,376		5,640	855		77,215
Maine	6,248						1,194
Maryland	2,142,884	157,640	232,644				4,046
Massachusetts	698,520	227,635		32,670		34,944	7,159
Michigan	1,373,655	68,324		28,093	1,645	221,205	51,036
Minnesota	152,281	15,379		3,041			2,084
Mississippi							120
Missouri	184,893			5,676		5,000	11,075
Montana	77,331						
Nebraska	1,012,175						5,802
Nevada	53,783						2,132
New Hampshire	56,176						1,354
New Jersey	591,866			2,627	3,105		487,557
New Mexico	266,550						123
New York	8,717,683	166,054	58,865	287,081	28,516	234,791	9,618
North Carolina	959,904	59,322		4,149		54,981	2,341
North Dakota	10,472						
Ohio	835,044			8,124	2,760	52,395	5,601
Oklahoma	50,318						2,393
Oregon	211,314						32,078
Pennsylvania	1,405,380	120,488	127,220	22,085		9,630	33,185
Rhode Island	254,668						
South Carolina	144,393						302
South Dakota	7,023						
Tennessee	650,495	48,169	64,254		124		1,016
Texas	968,304			14,575	4,739	19,083	15,048
Utah	787,227						
Vermont	162,919						460
Virginia	1,092,875			2,760			4,606
Washington	245,447	25,844					7,517
West Virginia				2,526			
Wisconsin	959,086			28,219			7,534
Wyoming							
Puerto Rico						35,000	
Virgin Islands							
Other Territories, etc. [8]							
Undistributed to States, etc.							
Total	34,084,653	1,016,040	897,306	738,941	382,048	952,654	39,256,779

Footnotes at end of table.

TABLE 85.—*Expenditures made by the Government as direct payments to States under cooperative arrangements and expenditures within States which provided relief and other aid, fiscal year 1963*—Continued

PART B. FEDERAL AID PAYMENTS TO INDIVIDUALS, ETC., WITHIN THE STATES—Continued

State, Territories, etc.	Department of Health, Education, and Welfare—Con.		Department of Labor			National Science Foundation	
	Office of the Secretary						
	Juvenile delinquency and youth offenses	Vocational Rehabilitation Administration	Unemployment compensation for Federal employees and exservicemen	Area Redevelopment Act [5, 55]	Manpower development training activities [56]	Research grants awarded†	Fellowship awards [57]
	(110)	(111)	(112)	(113)	(114)	(115)	(116)
Alabama		$133,883	$3,262,388	$252,762	$748,901	$489,700	$96,427
Alaska		48,219	908,993	28,686	210,332	432,073	25,068
Arizona		220,267	1,179,179	−1,386	405,848	2,838,785	84,693
Arkansas		71,581	1,276,365	359,172	590,666	151,414	29,761
California	$238,099	2,040,133	26,971,834	21,233	3,868,338	21,091,252	1,432,638
Colorado	17,595	286,992	2,007,796	45,233	333,347	3,535,912	283,215
Connecticut		110,171	766,883	122,588	801,242	3,713,419	190,071
Delaware			198,085		38,380	272,467	8,301
District of Columbia	337,817	759,843	2,880,360		314,442	4,500,043	110,655
Florida		395,849	2,654,383	39,460	606,630	2,354,948	131,041
Georgia		108,112	2,164,436	−562	559,933	1,276,351	98,402
Hawaii		45,390	1,337,139	7,370	154,364	1,982,802	12,979
Idaho		42,731	882,882	35,190	148,001	333,278	67,459
Illinois	402,732	1,338,589	5,484,805	247,347	3,928,838	11,243,294	872,050
Indiana		160,355	2,003,887	152,208	863,901	3,759,804	352,216
Iowa		261,036	540,175	21,151	507,097	1,481,058	178,544
Kansas		218,923	1,004,760	37,875	515,950	1,754,167	187,337
Kentucky		89,110	3,704,112	282,797	1,576,882	555,133	100,901
Louisiana		229,002	2,166,621			1,236,404	149,923
Maine		56,632	613,784	47,754	386,485	437,995	35,349
Maryland		129,952	2,047,901	2,580	412,528	1,589,807	213,130
Massachusetts	153,712	1,218,319	4,685,460	135,345	1,592,343	22,325,883	589,062
Michigan	352,941	905,575	5,066,048	168,455	2,050,210	8,487,382	570,862
Minnesota	94,868	1,117,042	2,725,259	116,034	867,620	1,971,195	285,812
Mississippi		68,802	967,430		223,570	674,337	53,518
Missouri	163,777	595,034	2,283,966	53,734	2,334,198	2,101,743	171,122
Montana		76,634	541,434	41,343	260,264	358,695	43,801
Nebraska		142,652	391,220		261,783	442,815	96,172
Nevada			319,099	14,365	278,863	117,380	32,893
New Hampshire		12,291	505,345		163,961	626,669	51,384
New Jersey		265,161	3,910,422	378,562	1,151,330	4,488,215	366,644
New Mexico		13,593	1,064,751	178,529	231,348	1,189,332	63,969
New York	1,216,323	4,783,336	9,490,417	47,590	2,767,014	13,917,376	1,591,769
North Carolina	51,248	255,169	1,934,127	200,235	714,134	2,270,043	192,558
North Dakota		43,116	499,267	90,622	342,654	691,783	29,602
Ohio	90,763	858,738	7,952,784	136,608	1,646,381	4,857,173	508,185
Oklahoma		167,206	1,755,565	322,089	808,533	1,615,822	186,229
Oregon	129,579	253,619	1,474,213	8,427	500,518	2,594,034	141,523
Pennsylvania	19,634	846,343	13,795,489	156,511	3,921,712	8,936,972	727,607
Rhode Island	34,256	86,394	894,694	60,634	438,934	1,614,860	67,761
South Carolina		24,470	1,198,359	11,400	337,404	511,267	72,177
South Dakota		38,578	378,347	34,213	88,694	502,068	46,087
Tennessee		342,259	2,857,333	127,220	943,400	1,491,677	142,176
Texas	111,736	946,116	7,273,581	212,749	1,233,635	3,894,162	413,582
Utah	65,326	226,813	1,227,820		185,385	1,225,001	121,749
Vermont		57,662	237,430		255,014	67,535	57,396
Virginia		360,194	1,379,976	−872	774,374	1,197,767	141,159
Washington	112,526	449,437	5,765,691	33,932	480,346	3,001,056	220,358
West Virginia	131,091	108,580	2,192,989	141,981	413,666	498,004	85,269
Wisconsin		432,858	2,845,501	431,802	787,876	2,888,857	318,763
Wyoming			571,441		176,543	155,499	32,054
Puerto Rico		137,730	2,606,102	120,668	710,397	993,765	23,275
Virgin Islands			10,240		18,112		
Other Territories, etc.[8]							
Undistributed to States, etc					1,829		
Total	3,724,023	21,580,491	152,858,564	4,923,634	43,934,150	160,738,473	12,104,680

Footnotes at end of table.

TABLE 85.—*Expenditures made by the Government as direct payments to States under cooperative arrangements and expenditures within States which provided relief and other aid, fiscal year 1963*—Continued

PART B. FEDERAL AID PAYMENTS TO INDIVIDUALS, ETC., WITHIN THE STATES—Continued

States, Territories, etc.	Atomic Energy Commission	Veterans' Administration		Total payments within States (Part B)†	† Grand total (Parts A and B)
	Fellowships and assistance to schools [58]	Automobiles, etc., for disabled veterans	Readjustment benefits and vocational rehabilitation		
	(117)	(118)	(119)	(120)	(121)
Alabama	$74,707	$14,369	$2,845,849	$32,108,229	$217,229,991
Alaska	7,655	1,600	43,561	6,482,266	62,466,903
Arizona	49,669	12,800	1,187,808	14,561,146	107,211,933
Arkansas	47,152	19,200	1,176,761	23,849,731	146,401,756
California	480,518	71,129	11,933,365	171,220,450	996,330,013
Colorado	27,617	25,457	1,392,001	40,349,617	163,916,050
Connecticut	84,903	12,800	891,559	24,336,596	121,739,174
Delaware	450		100,800	4,663,806	31,946,735
District of Columbia	294,475	19,200	1,571,600	24,591,858	107,820,775
Florida	104,969	59,035	4,773,823	73,733,314	253,668,691
Georgia	83,415	28,800	3,676,837	44,895,633	252,849,981
Hawaii	24,377	3,200	209,374	23,550,465	65,341,388
Idaho	6,736		273,947	17,033,085	69,645,696
Illinois	1,576,006	22,400	3,259,694	92,498,143	478,707,766
Indiana	151,333	20,275	1,609,671	40,957,824	184,301,681
Iowa	90,581	11,200	1,012,622	39,263,398	141,636,202
Kansas	94,005	4,800	990,616	40,050,326	127,788,263
Kentucky	85,298	12,795	1,138,438	29,751,836	203,108,550
Louisiana	129,005	8,000	2,001,776	38,071,292	290,888,394
Maine	19,467	12,750	275,718	10,227,171	60,785,853
Maryland	140,990	12,800	1,417,283	40,180,334	158,802,538
Massachusetts	528,805	23,895	2,794,760	100,486,027	306,694,559
Michigan	260,562	59,194	2,865,101	71,120,243	368,724,705
Minnesota	136,567	23,995	1,660,607	62,387,525	213,185,554
Mississippi	46,055	12,800	1,126,061	23,371,826	159,903,094
Missouri	61,207	20,800	2,262,027	53,964,249	270,100,950
Montana	11,502	3,200	351,032	17,903,539	84,436,110
Nebraska	23,975	11,200	600,064	29,525,274	100,146,965
Nevada	13,132		86,609	3,469,817	33,859,856
New Hampshire	37,950	12,800	232,885	6,822,849	35,405,362
New Jersey	66,065	28,800	1,880,363	35,048,918	212,943,183
New Mexico	37,042	3,200	673,518	17,537,593	108,385,350
New York	1,148,346	124,864	6,081,163	174,872,230	781,227,887
North Carolina	138,337	28,800	1,696,420	41,916,712	209,929,328
North Dakota	16,944	3,200	271,106	37,755,594	77,529,049
Ohio	167,091	42,779	3,442,226	68,924,647	442,504,183
Oklahoma	52,195	15,990	1,559,228	41,308,963	229,073,399
Oregon	41,495	8,000	998,168	27,246,254	165,298,031
Pennsylvania	255,185	59,143	4,983,590	100,920,953	524,494,289
Rhode Island	37,926	6,400	297,363	9,714,812	51,451,163
South Carolina	24,302	9,595	1,120,474	22,102,564	114,330,810
South Dakota	18,166	3,200	252,047	27,326,237	74,765,454
Tennessee	386,045	33,500	1,822,827	40,060,667	251,975,210
Texas	166,029	36,800	5,586,924	105,553,234	550,142,007
Utah	32,901	3,200	1,009,751	19,209,415	90,848,328
Vermont	20,645	3,200	172,744	7,442,687	38,188,331
Virginia	113,284	9,600	1,137,672	24,335,492	205,717,069
Washington	148,057	22,092	1,964,233	40,523,243	206,507,771
West Virginia	44,080	11,062	712,979	12,006,171	110,997,195
Wisconsin	126,214	19,154	1,308,610	47,624,687	185,422,731
Wyoming	13,603		105,438	8,588,273	70,953,073
Puerto Rico	1,538,075	4,750	1,088,788	21,155,442	143,589,880
Virgin Islands				41,742	10,823,457
Other Territories, etc.[8]			3,078,485	19,451,654	46,114,213
Undistributed to States, etc.				227,507,982	258,029,048
Total	9,285,110	1,017,823	95,006,366	2,379,604,032	10,976,285,910

† Figures in columns 115, 120, and 121 differ from those released in preliminary form.

Footnotes for table 85.

[1] Excludes $500,000, "State experiment stations, Agricultural Research Service," included in column 6.

[2] Excludes $1,434,026, "Cooperative extension work, payments and expenses, Extension Service," included in column 6.

[3] Includes $58,875,807, value of commodities distributed to participating schools, and payments of $4,984,753 made directly to private schools. In addition the school lunch program is a recipient of some of the commodities shown under the appropriation "Removal of surplus agricultural commodities," and under "Commodity Credit Corporation, value of commodities donated."

[4] Consists of $27,235,140, "Payments to States, National Forests Fund"; $80,462, "Payments to school funds, Arizona and New Mexico, act June 20, 1910 (receipt limitation)"; and $125,366, "Payment to Minnesota (Cook, Lake, and St. Louis counties) from the National Forests Fund."

[5] Credit amounts are refunds of advances in prior years.

[6] Includes $500,000, "State experiment stations, Agricultural Research Service"; $1,434,026, "Cooperative extension work, payments, and expenses, Extension Service"; and $1,425,000, "Payments to States and possessions, Agricultural Marketing Service."

[7] Consists of $14,986,277, "Forest protection and utilization, Forest Service" and $1,062,209, "Assistance to States for tree planting, Forest Service."

[8] Includes: American Samoa, Canal Zone, Guam, Trust Territory of the Pacific, and certain foreign countries.

[9] Includes $250,000, penalty mail costs for which a breakdown by States is unavailable.

[10] Includes $2,645,625, penalty mail costs and $6,520,181, retirement costs of cooperative extension agents.

[11] Consists of $38,086,896, "Watershed protection, Soil Conservation" and $19,409,410, for "Flood prevention, Soil Conservation Service."

[12] Cash payments to States to increase consumption of fluid milk by children in nonprofit schools. Net of refunds.

[13] Federal share of the value of food stamps redeemed under the pilot food stamp plan.

[14] Cost of food commodities acquired through price support operations.

[15] Includes $117,185, "Improvement of Pentagon Road Network (trust fund)" ($130,290, Virginia and −$13,105, Undistributed to States, etc.).

[16] Consists of $36,355,896, forest highways, $2,110,671, public lands highways, and $95,114, "Surveys and Plans, National Defense" (Ohio).

[17] Includes $476,848, "Grants for Public Facilities."

[18] See also Part B, column 74.

[19] See also column 66.

[20] Consists of $11,815,667 paid by Housing and Home Finance Agency; $584,965 paid by Department of Agriculture; $1,515,803 paid by Bureau of Public Roads, Department of Commerce; $940,545 paid by Department of Health, Education, and Welfare; and $281,000 paid by Department of Interior.

[21] Consists of $2,550,000, "Colleges for agriculture and the mechanic arts", $11,950,000, "Further endowment of colleges for agriculture and the mechanic arts."

[22] Consists of $34,330,192, "Promotion and further development of vocational education, Office of Education" and $7,144,113, "Promotion of vocational education, act of Feb. 23, 1917, Office of Education."

[23] Includes $1,519,443, "Hospital and Medical Care" (Hawaii) and −$22,184, "Grant for Poliomyelitis Vaccination" (−$22,179, Indiana and −$5, Texas).

[24] Total excludes $252,557 paid to interstate agencies to control water pollution.

[25] Includes $315,310, "Construction of Mental Health Facilities, Alaska"; −$227, "Surveys and Planning for Hospital construction" (South Dakota); and $270,050, "Construction of Indian Health Facilities" ($170,766, Alaska, $26,234, Montana, and $73,050, North Dakota).

[26] Created by reorganization of Secretary, Department of Health, Education and Welfare, Jan. 28, 1963, to administer specified components and programs of the Social Security Administration.

[27] Consists of $14,634,244, "Federal aid in wildlife restoration, Bureau of Sport Fisheries and Wildlife" and $5,332,827, "Federal aid in fish restoration and management, Bureau of Sport Fisheries and Wildlife (receipt limitation)."

[28] Consists of $200,446, "Payments to States from grazing receipts, etc., public lands within grazing districts, Bureau of Land Management"; $249,328, "Payments to States (proceeds of sales), Bureau of Land Management (receipt limitation)"; $6,214, "Payments to Oklahoma (royalties), Bureau of Land Management (receipt limitation)"; $15,400,136, "Payments to counties, Oregon and California grant lands, Bureau of Land Management"; $400, "Payments to State of Alaska, income and proceeds, Alaska school lands, Bureau of Land Management"; $697,449, "Payments to Coos and Douglas counties, Oregon, in lieu of taxes on Coos Bay wagon road grant lands, Bureau of Land Management"; $14,233, "Operation and maintenance, Bureau of Reclamation"; $917, "Payments to States (grazing fees), Bureau of Land Management"; $3,902, "Payments to States from grazing receipts, etc., public lands within grazing districts, miscellaneous, Bureau of Land Management"; $183,632, "Payments to States from grazing receipts, etc., public lands outside grazing districts, Bureau of Land Management"; $300,000 each to Arizona and Nevada, "Colorado River Dam Fund, Boulder Canyon Project"; $27,287, "Payment in lieu of taxes on lands in Grand Teton National Park, National Park Service" (Wyoming); $92,255, "Payments duo counties, National Grasslands, Bureau of Land Management"; $7,682,529, "Internal revenue collections for Virgin Islands, Office of Territories"; $108, "Payments to Alaska, Alaska Game Law, Bureau of Sport Fisheries and Wildlife"; and $702,852, "Payments to Alaska from Pribilof Islands Fund, Bureau of Commercial Fisheries."

[29] Consists of $7,723,502, education and welfare services and $749,372, resources management.

[30] Consists of $8,016,208, for postage and $90,556, for other expenditures.

[31] Consists of $24,740,393, "Grants-in-aid for airports" and $26,753,048, "Grants-in-aid for airports, liquidation of contract authorizations."

[32] Includes $2,152,422, "Mass transportation."

[33] Payment in lieu of taxes.

[34] Paid from "Medical care, Veterans Administration."

[35] Paid from "General operating expenses, Veterans Administration."

[36] Consists of $3,110,296, "Transitional grants to Alaska," and $141, "Alaska public works, Interior."

[37] Consists of $17,000,000, "Flood Control Payment, Army Corps of Engineers, Department of Defense"; and $9,749, "Construction and Rehabilitation, Bureau of Reclamation, Department of the Interior."

[38] Open space land, Housing and Home Finance Agency.

[39] Low income housing, Housing and Home Finance Agency.

[40] Consists of $30,000,000, "Federal payment to District of Columbia"; $68,242, "Hospital facilities in the District of Columbia, General Services Administration"; $28,000, "Low Income Housing, Housing and Home Finance Agency"; and $300,000, Federal contribution to the District of Columbia, Metropolitan Area Sanitary Sewage Works Fund.

Footnotes for table 35—Continued

[41] Center for Cultural and Technical Interchange between East and West, Department of State.
[42] White House Conference on Aging, Department of Health, Education, and Welfare.
[43] Drainage of anthracite mines, Bureau of Mines, Department of the Interior.
[44] Loan Program, Bureau of Reclamation, Department of the Interior.
[45] Land acquisition, National Capital Park, Parkway and Playground System, National Capital Planning Commission.
[46] Consists of $44,779,918, "Internal Revenue collections for Puerto Rico (shared revenues)"; —$200, "White House Conference on Aging, Department of Health, Education, and Welfare"; $12,009,323, "Refunds, transfers, and expenses of operation, Bureau of Customs, Treasury Department (shared revenues)."
[47] Refunds, transfers, and expenses of operation, Bureau of Customs, Treasury Department (shared revenues).
[48] Consists of $12,807,400, Grants to American Samoa from "Administration of Territories, Office of Territories" and $9,531,000, "Trust Territory of the Pacific Islands, Office of Territories."
[49] Consists of $216,899,307, "Agricultural Conservation Program" and $2,701,428, "Emergency Conservation Measures."
[50] On obligations basis.
[51] Includes $2,596,617 paid by Office of Education, Department of Health, Education, and Welfare for Civil Defense, Adult Education.
[52] Accounted for by the National Guard Bureau; breakdown by States unavailable.
[53] Includes —$12,918, "Sanitary Engineering Activities, Public Health Service, Department of Health, Education, and Welfare."
[54] Includes $25,000 paid from President's Emergency Fund (Florida).
[55] Includes $2,727,867 paid by Office of Education, Department of Health, Education, and Welfare.
[56] Includes $29,189,464 paid by Office of Education, Department of Health, Education, and Welfare.
[57] Based on State of permanent residence of recipient.
[58] Consists of $1,619,686, equipment grants; $1,523,054, student fellowships; $1,656,103, faculty training; and $4,486,267, material, services, and other. The fellowship awards are included in the State in which the awards are to be used. The assistance to schools are shown by the State of the recipient institution.

NOTE.—Compiled from figures furnished by the departments and agencies concerned pursuant to Treasury Department Circular No. 1014, Aug. 8, 1958 (see 1958 annual report, exhibit 70, p. 381).

Customs Operations

TABLE 86.—*Merchandise entries, fiscal years 1962 and 1963*

	1962	1963	Percentage increase, or decrease (−)
Entries:			
Consumption free	317,330	333,128	5.0
Consumption dutiable	1,132,856	1,194,455	5.4
Warehouse and rewarehouse	75,980	78,951	3.9
Other formal	21,774	22,777	4.6
Total formal entries	1,547,940	1,629,311	5.3
Warehouse withdrawals	373,006	368,812	−1.1
Appraisement	2,606	2,407	−7.6
Drawback	18,803	21,827	16.1
Outbound-immediate transportation; transportation and exportation; etc	599,180	557,471	−7.0
Mail	1,195,063	1,251,566	4.7
Informal	594,155	662,923	11.6
Passenger declarations—total	2,550,388	2,519,532	−1.2
Crew declarations—total	842,867	845,165	.3
Military declarations—total	856,997	1,018,935	18.9
Passenger declarations—dutiable	288,743	128,963	−55.3
Crow declarations—dutiable	n.a.	148,229	
Military declarations—dutiable	n.a.	23,172	
Other informal	1,040,456	1,158,705	11.4

n.a. Not available.

TABLE 87.—*Principal commodities on which drawback was paid, fiscal years 1962 and 1963* [1]

Commodity	1962	1963	Percentage increase, or decrease (−)
Iron and steel semimanufactures	$534,147	$2,677,238	401.3
Petroleum and products	1,670,867	2,636,579	57.8
Chemicals	1,620,292	1,386,135	−14.5
Tobacco, unmanufactured	1,019,538	1,071,652	5.1
Sugar	713,009	1,066,589	49.6
Aluminum	505,987	890,572	76.0
Coal-tar products	990,114	641,307	−35.2
Watch movements	606,539	626,804	3.3
Copper and manufactures	545,365	607,285	11.4
Citrus fruit juices	1,114,450	597,307	−46.4
Automobiles, aircraft, and parts	397,471	471,201	18.5
Lead ore, matte, pigs, and bars	338,007	454,453	34.5
Zinc ore and manufactures	173,677	343,432	97.7
Cotton cloth	244,682	303,310	24.0
Medicinal preparations	426,668	207,859	−51.3
Chromium and alloys	138,076	189,360	37.1
Paper and manufactures	199,949	153,799	−23.1
Glass and glass products	93,415	141,511	51.5
Nickel	65,121	125,106	92.1
Tungsten ore	239,238	125,009	−47.8
Rayon and other synthetic textiles	69,830	107,822	54.4
Burlap	63,397	93,691	47.8
Magnesite	249,840	69,950	−72.0
Tire cord fabric, rayon	34,269	67,100	95.8
Tires and tubes, rubber and synthetic	123,359	65,724	−46.7
Ferroalloying ores and metals	74,399	62,113	−16.5
Steel mill products	207,689	51,980	−75.0
Knit fabrics, cotton	127,952	45,042	−64.8
Cotton, unmanufactured	17,811	43,265	142.9
Manganese ore	40,566	32,202	−20.6
Quicksilver or mercury	28,372	30,167	6.3
Wool fabrics	12,183	25,640	110.5
Brass and bronze manufactures	52,777	17,575	−66.7
Cork and manufactures	17,703	8,369	−52.7
Wool and semimanufactures	4,035	4,275	5.9
Other	[r] 1,995,636	2,379,799	19.3
Total	[r] 14,756,430	17,821,222	20.8

[r] Revised.
[1] Includes Puerto Rico.

TABLE 88.—*Carriers and persons arriving in the United States, fiscal years 1962 and 1963* [1]

Type of entrant	1962	1963	Percentage increase, or decrease (−)
Carriers arriving:			
Vessels entering direct from foreign ports	47,463	46,674	−1.7
Vessels entering via U.S. ports	[2] (39,631)	[2] (38,699)	−2.4
Vessels reporting only from foreign ports:			
Government	1,211	1,627	34.4
Ferries	105,453	80,906	−23.3
Other	44,383	42,233	−4.9
Commercial planes	[r] 85,868	94,282	9.8
Commercial planes entering via U.S. ports	[2] (7,777)	[2] (9,141)	17.5
Military planes	31,272	34,309	9.7
Private planes	47,268	51,247	8.4
Autos, empty trucks	41,769,740	44,190,605	5.8
Buses	244,522	238,990	−2.3
Trucks	740,039	769,847	4.0
Other vehicles	423,828	447,915	5.7
Passenger trains	12,698	12,122	−4.5
Freight cars	1,809,767	1,877,538	3.8
Total carriers	[r] 45,363,512	47,888,295	5.6
Persons arriving:			
Passengers arriving on:			
Vessels entering direct from foreign ports	630,527	694,074	10.1
Vessels entering via U.S. ports	46,463	48,674	4.8
Vessels reporting only from foreign ports:			
Government	257,195	380,120	47.8
Ferries	1,312,313	1,425,099	8.6
Other	245,986	190,458	−22.6
Commercial planes	3,639,215	3,744,586	2.9
Military planes	525,522	852,335	62.2
Private planes	142,223	155,943	9.6
Autos, empty trucks	110,328,909	116,729,139	5.8
Buses	4,879,465	4,655,882	−4.6
Trucks	607,858	598,900	−1.5
Other vehicles	4,352,767	4,613,999	6.0
Passenger trains	833,097	764,158	−8.3
Pedestrians	29,900,441	29,255,160	−2.2
Total persons	157,701,981	164,108,527	4.1

[r] Revised.
[1] Excludes Puerto Rico.
[2] Not included in totals, already counted under entering direct from foreign ports.

TABLE 89.—*Aircraft and aircraft passengers entering the United States, fiscal years 1962 and 1963*

District	Aircraft		Aircraft passengers		Percentage increase, or decrease (−)	
	1962	1963	1962	1963	Aircraft	Passengers
Maine and New Hampshire	2,649	2,739	16,010	18,942	3.4	18.3
Vermont	1,381	1,546	278,444	286,590	11.9	2.9
Massachusetts	5,450	5,103	94,476	101,701	−6.4	7.6
Rhode Island	480	613	4,569	10,733	27.7	134.9
St. Lawrence	1,552	1,565	5,417	7,046	.8	30.1
Rochester	1,273	1,185	13,826	13,114	−6.9	−5.2
Buffalo	3,039	3,278	402,727	406,185	7.9	.9
New York	25,347	36,138	1,340,836	1,538,616	42.6	14.8
Philadelphia	7,371	7,510	271,084	341,258	1.9	25.9
Maryland	2,105	1,485	34,630	39,444	−29.5	13.9
Virginia	1,728	1,589	29,986	33,944	−8.1	13.2
North Carolina	362	737	5,534	11,627	103.6	110.1
South Carolina	2,191	1,799	52,862	47,070	−17.9	−11.0
Georgia	599	588	6,041	9,509	−1.8	57.4
Florida	39,557	38,202	645,558	626,596	−3.4	−2.9
New Orleans	1,618	1,358	49,884	41,370	−16.1	−17.1
Galveston	1,477	1,385	34,268	40,448	−6.2	18.0
Laredo	8,228	8,254	68,225	74,764	.3	9.6
El Paso	1,544	1,580	4,624	4,330	2.3	−6.4
San Diego	4,065	5,502	15,551	24,705	35.4	58.9
Arizona	3,432	3,801	14,478	16,655	10.8	15.0
Los Angeles	3,473	2,662	134,201	159,042	−23.4	18.5
San Francisco	3,461	1,903	30,231	41,883	−45.0	38.5
Washington	8,301	7,809	152,593	132,902	−5.9	−12.9
Alaska	3,556	3,456	35,846	59,496	−2.8	66.0
Hawaii	9,950	9,214	318,461	378,482	−7.4	18.8
Montana and Idaho	2,318	2,300	20,282	22,163	−.8	9.3
Dakota	2,689	3,044	38,694	34,085	13.2	−11.9
Minnesota	392	366	2,535	2,841	−6.6	12.1
Duluth and Superior	5,051	5,418	13,153	14,219	7.3	8.1
Michigan	4,784	5,013	29,340	36,004	4.8	22.7
Chicago	4,566	4,403	80,598	110,295	−3.6	36.8
Ohio	5,029	5,152	31,913	35,456	2.4	11.1
St. Louis	1,026	967	9,555	12,011	−5.8	25.7
Other	2,141	2,174	20,528	19,338	1.5	−5.8
Total	172,185	179,838	4,306,960	4,752,864	4.4	10.4

TABLE 90.—*Seizures for violations of customs laws, fiscal years 1962 and 1963* [1]

Seizures	1962 total	1963			
		Seizures by Customs	Seizures by other agencies	Joint seizures by Customs and other agencies	Total
Automobiles:					
Number	612	497	118	38	653
Value	$745,188	$476,925	$147,329	$43,190	$667,444
Trucks:					
Number	92	71	14	6	91
Value	$413,445	$195,550	$152,460	$19,374	$367,384
Aircraft:					
Number	12	8			8
Value	$1,342,000	$104,700			$104,700
Boats:					
Number	46	53	1		54
Value	$12,063,097	$44,148,570	$2,000		$44,150,570
Narcotics:					
Number	1,004	1,090	7	38	1,135
Value	$177,119	$155,683	$13	$7,200	$162,896
Liquors:					
Number	5,513	5,622	27	98	5,747
Gallons	13,787	16,011	33	154	16,198
Value	$286,364	$229,045	$514	$2,943	$232,502
Prohibited articles (obscene, lottery, etc.):					
Number	5,120	4,349	19	47	4,415
Value	$38,919	$49,999	$110	$452	$50,561
Other seizures:					
Number	4,838	6,971	214	88	7,273
Value:					
Cameras	$10,811	$19,079	$240		$19.319
Edibles and farm products	64,432	37,327	588	$192	38,107
Furs—skins and manufactures	7,544	19,743	100		19,843
Guns and ammunition	17,879	105,611	470	83	106,164
Jewelry, including gems	564,391	506,473	120	1,615	508,208
Livestock	14,070	3,119	14,984	468	18,571
Tobacco and manufactures	13,252	19,433		6	19,439
Watches and parts	373,635	125,376			125,376
Wearing apparel	106,705	185,860	390	84	186,334
Miscellaneous	10,614,452	3,469,919	8,068	8,932	3,486,919
Total value of other seizures	11,787,171	4,491,940	24,960	11,380	4,528,280
Grand total:					
Number [2]	16,475	18,032	267	271	18,570
Value	$26,853,303	$49,852,412	$327,386	$84,539	$50,264,337

[1] Includes Puerto Rico and the Virgin Islands.
[2] Excludes number of carriers confiscated in connection with seizures of liquor, narcotics, etc.

TABLE 91.—*Investigative activities, fiscal years 1962 and 1963*

Activity	1962	1963	Percentage increase, or decrease (−)
Investigations closed:			
Criminal cases:			
Smuggling, diamonds or jewelry	476	492	3.4
Smuggling, narcotics	5,527	6,290	13.8
Smuggling, other	1,754	1,745	−.5
Pilferages and shortages	490	543	10.8
Subtotal criminal cases	8,247	9,070	10.0
Civil violations:			
Undervaluation and false invoicing	2,032	2,400	18.1
Prohibited importations	240	253	5.4
Touring permit violations	26	30	15.4
Navigation and aircraft violations	1,375	1,368	−.5
Marking of merchandise	125	133	6.4
Baggage declaration violations	1,046	1,419	35.7
Bonds, breach of terms	20	19	−5.0
Subtotal civil violations	4,864	5,622	15.6
Procedural cases:			
Drawback	1,100	1,077	−2.1
Classification	104	143	37.5
Market value	334	390	16.8
License applications	129	129	------------
Examination of brokers' records	321	391	21.8
Bonds	20	17	−15.0
Petitions for relief	898	1,105	23.1
Customs procedures	164	175	6.7
Collection of duties and penalties	207	260	25.6
Subtotal procedural cases	3,277	3,687	12.5
Character investigations of applicants	1,290	961	−25.5
Federal tort claims	130	125	−3.9
Export control violations	652	681	4.4
Miscellaneous:			
Alleged derelictions of customs personnel	290	175	−39.7
Other	1,606	1,756	9.3
Subtotal miscellaneous	1,896	1,931	1.8
Grand total	20,356	22,077	8.5

Engraving and Printing Production

TABLE 92.—*New postage stamp issues delivered, fiscal year 1963*

Issues	Denomination (cents)
Commemoratives:	
Girl Scouts of America	4
Senator Brien McMahon	4
National Apprenticeship Act	4
Sam Rayburn	4
Dag Hammarskjold	4
Higher Education	4
Winslow Homer	4
North Carolina Tercentenary	5
Montgomery Blair	15
Food for Peace	5
West Virginia Statehood	5
Special issues:	
Christmas stamp	4
American flag	5
U.S. ordinary:	
Andrew Jackson	1
George Washington	5
U.S. air mail	8
Canal Zone:	
Commemorative (Thatcher Ferry Bridge)	4
Air mail (Anti-malaria)	7
Air mail (Series 1951)	8

TABLE 93.—*Deliveries of finished work by the Bureau of Engraving and Printing, fiscal years 1962 and 1963*

Class	Number of pieces 1962	Number of pieces 1963	Face value 1963
Currency:			
U.S. notes	30,960,000	30,600,000	$135,720,000
Silver certificates	999,112,000	921,248,000	921,248,000
Federal Reserve notes	526,352,000	758,920,000	8,849,600,000
Specimens		3,402	
Total	1,556,424,000	1,710,771,402	9,906,568,000
Bonds, notes, bills, certificates, and debentures:			
Bonds:			
Treasury	837,419	1,058,908	40,356,256,000
Treasury, special series	500	703	
U.S. savings, registered	1,687.000	963,250	1,137,000,000
Consolidated Federal Farm Loan bonds	96,316	93,112	1,187,540,000
Consolidated bonds of the Federal home loan banks	16,196	29,013	1,115,560,000
Notes:			
Treasury	794,019	542,170	31,742,935,000
Treasury, special series	550	753	
Consolidated notes of the Federal home loan banks	82,650	59,500	1,870,000,000
Bills:			
Treasury	2,321,011	2,561,000	179,975,000,000
Certificates:			
Treasury certificates of indebtedness	273,043	446,039	39,567,000,000
Treasury certificates of indebtedness—special series		2,253	
Military payment	51,409,554		
Certificate of participation, Export-Import Bank		706	
Debentures:			
Consolidated collateral trust debentures for:			
Twelve Federal intermediate credit banks	139,800	73,200	2,225,000,000
Thirteen banks for cooperatives	61,003	20,212	582,500,000
Federal National Mortgage Association secondary market operations	91,356	14,235	235,710,000
Federal Housing Administration	397,308	466,975	862,277,500
Total	58.207,725	6,332,029	300,856,778,500
Stamps:			
Customs	15,618,010	7,802,400	
U.S. Internal Revenue:			
To offices of issue	2,048,278,677	1,939,124,655	115,929,040
To Smithsonian Institution	14,328	164,280	29,897,428
Puerto Rican Internal Revenue	192,215,000	197,689,225	
Virgin Islands Internal Revenue	145,800		
U.S. postage:			
Ordinary	20,344,484,200	27,099,810,648	1,255,527,247
Air mail	975,971,800	1,770,341,394	147,517,270
Commemoratives	2,150,087,800	3,111,579,050	141,950,604
Special delivery	34,820,000	41,925,000	12,577,500
Postage due	148,930,000	183,670,000	22,765,350
Experimental	66,000	90,000	
Canal Zone postage:			
Ordinary	2,178,264	1,600,000	90,800
Air mail	3,070,400	3,000,800	499,200
Commemoratives	640,400	3,105,800	194,100
U.S. savings	109,205,500	124,215,000	22,804,500
D.C. beverage tax paid	17,630,000		
Federal migratory bird hunting	3,612,240	3,351,240	10,053,000
Food coupons	40,300,150	46,092,725	
Total	26,087,268,569	34,533,562,217	1,759,806,039
Miscellaneous, checks, certificates, etc.:			
To offices of issue	14,072,024	9,251,901	
Grand total	27,715,972,318	36,259,917,549	312,523,152,539

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International Claims

TABLE 94.—*Awards of the Mixed Claims Commission, United States and Germany, of Class III awards, and Private Law 509, approved July 19, 1940, status as of June 30, 1963*

Description	Class III awards—over $100,000	Private Law 509, approved July 19, 1940
AWARDS [1]		
Principal of awards	$117,387,252.24	$160,000.00
Less amounts paid by Alien Property Custodian and others	266,072.77	
Interest to Jan. 1, 1928, as specified in awards	53,245,392.03	64,000.00
Interest thereon to date of payment or, if unpaid, to June 30, 1963, at 5 percent per annum, as specified in the Settlement of War Claims Act of 1928	81,511,791.55	178,192.02
Total due claimants	251,878,363.05	402,192.02
PAYMENTS		
Principal of awards	76,955,283.40	101,053.06
Interest to Jan. 1, 1928	53,245,392.03	64,000.00
Interest at 5 percent from Jan. 1, 1928, to date of payment	47,448,576.39	107,780.50
Total payments [2]	177,649,251.82	272,833.56
BALANCE DUE		
Principal of awards	40,165,896.07	58,946.94
Interest to Jan. 1, 1928		
Accrued interest from Jan. 1, 1928, through June 30, 1963	34,063,215.16	70,411.52
Balance due claimants	74,229,111.23	129,358.46
Total reimbursement for administrative expenses [3]	888,247.05	1,364.14

[1] Excludes Class I awards (on account of death and personal injury) which have been paid in full; and also Class II awards on which there remain balances totaling $42,830.84. For details concerning all classes of awards, including claims of U.S. Government, see 1962 annual report, pages 138 and 826.

[2] Amounts shown are gross; deductions for administrative expenses are shown below (see footnote 3).

[3] Deductions of ½ of 1 percent are made from each payment to cover administrative expenses. These amounts are covered into the Treasury as miscellaneous receipts.

NOTE.—On Feb. 27, 1953, the German Government agreed to pay $97,500,000 (U.S. dollars) over a period of 25 years in full settlement of Germany's obligations on account of Class III awards and the award under Private Law 509. Through June 30, 1963, $37,500,000 has been paid under the agreement.

TABLE 95.—*Status of claims of American nationals against certain foreign governments as of June 30, 1963*

	Bulgaria	Hungary	Rumania	Italy	U.S.S.R.	Czechoslovakia
Awards certified to the Treasury:						
Number of awards	231	1,301	565	650	1,979	3,328
Amount of awards:						
Principal	$4,684,186.46	$58,181,408.34	$60,011,347.78	$2,731,746.44	$70,446,019.13	$72,614,634.34
Interest	1,887,637.43	22,114,638.98	24,717,942.92	929,630.03	58,592,874.21	41,030,571.07
Total	6,571,823.89	80,296,047.32	84,729,290.70	3,661,376.47	129,038,893.34	113,645,205.41
Deposits in claims funds	2,816,146.84	1,788,924.86	21,129,053.72	5,000,000.00	9,114,444.66	8,990,282.54
Statutory deduction for administrative expenses	140,807.34	89,446.28	1,056,452.67	250,000.00	455,722.23	449,514.13
Amounts available for payment on awards	2,675,339.50	1,699,478.58	20,072,601.05	4,750,000.00	8,658,722.43	8,540,768.41
Payments on awards:						
Principal	2,672,170.10	1,638,736.96	20,048,525.97	2,731,746.44	8,638,712.51	
Interest				929,370.65		
Combined principal and interest						8,513,090.50
Balances in claims funds	3,169.40	60,741.62	24,075.08	1,088,882.91	20,009.92	27,677.91

International Financial Transactions

TABLE 96.—*United States net monetary gold transactions with foreign countries and international institutions, fiscal years 1945–63*

[In millions of dollars at $35 per ounce. Negative figures represent net sales by the United States; positive figures, net purchases]

Country, etc.	1945–1958	1959	1960	1961	1962	1963
Afghanistan	-5.3					
Argentina	847.7	67.2		-140.0	85.0	
Austria	-6.2	-123.5	-44.5		-56.3	-136.3
Bank for International Settlements	-333.6	-120.7		-59.0		
Belgium	-16.0	-210.2	-50.8	-90.1	-207.4	
Bolivia	18.8					
Brazil	-25.4					103.6
Burma				-3.8	-5.0	-16.0
Cambodia				-12.0	-3.1	-4.0
Cameroon Republic						-1.9
Canada	606.3				190.0	
Central African Republic						-.7
Ceylon			-7.5			
Chad						-.7
Chile	25.0	3.0	-1.3	-8.6		
Colombia	69.1			-6.3		37.8
Congo (Leopoldville)					28.8	
Costa Rica					-2.3	-.6
Cyprus					-2.0	
Dahomey						-.8
Denmark	-48.4	-5.0	-10.0	-50.0		15.0
Dominican Republic	-13.2				-3.1	-.2
Ecuador	2.1					-5.5
Egypt	-120.8		-7.5		-8.5	-1.6
El Salvador	-21.6			6.4	-5.7	
Finland	-9.0		-4.7	-3.0		
France	202.3		-265.7	-173.0	r -140.6	-517.6
Gabon						-.7
Germany, Federal Republic of	-375.6			-56.3		
Ghana				-5.6		
Greece	-45.2		-15.0	-47.0	-29.2	
Iceland			-2.4		-7.1	
Indonesia	-77.0	-5.0	-6.0	-24.9	-.2	
International Bank	18.8					
International Monetary Fund [1]	789.9	[2] -352.6	252.1	300.0	150.0	
Iran					-16.2	-5.9
Iraq				-29.8		
Israel	-1.1		-4.4		-10.0	
Italy	-283.1	-180.0		100.0		
Ivory Coast						-1.5
Japan		-125.0	-62.5	-15.2		
Korea	-1.9		-1.6			
Kuwait				-9.8		-12.5
Laos				-1.9		
Lebanon	-21.8				-32.1	-21.0
Mexico	64.9	-20.0	-10.0	-20.0		
Morocco				-21.0		
Netherlands	-181.1	-186.0	-34.9	-214.4	-24.9	
Nicaragua	19.9					
Niger						-.8
Nigeria					-20.0	
Norway	11.7					
Peru	-7.2			-20.0		-.6
Philippines	21.9	11.9	5.0			24.6
Portugal	-31.6	-10.0				
Republic of Congo (Brazzaville)						-.7
Saudi Arabia	-4.1			-35.0	-25.1	
Senegal					r -.8	-1.7
Somalia						-1.9
South Africa	1,121.3					
Spain	31.5	31.7		-171.5	-204.1	-170.0
Surinam		-2.5		-2.5		2.5
Sweden	246.4					
Switzerland	-357.5	-75.1	20.1	-399.1	46.9	5.0
Syria	-10.4				-1.1	-.3
Togo					r -1.1	
Tunisia					-.5	-.5
Turkey	57.9			-8.6	-1.1	6.0
United Kingdom	297.5	-350.0	-150.0	-475.4	-711.6	68.8
Upper Volta						-.8

Footnotes at end of table.

TABLE 96.—*United States net monetary gold transactions with foreign countries and international institutions, fiscal years 1945–63*—Continued

Country, etc.	1945–1958	1959	1960	1961	1962	1963
Uruguay	−7.9	----------	----------	−3.8	----------	8.0
Vatican City	7.6	−3.2	1.0	−7.0	----------	----------
Venezuela	−425.9	----------	65.0	----------	----------	----------
Yugoslavia	----------	----------	−1.5	−15.9	−.7	−1.6
All other	−133.1	−5.8	−4.5	−6.3	−6.8	−1.4
Total	−1,896.6	−1,660.7	−341.6	−1,730.4	−1,025.7	−636.2

r Revised.
[1] International Monetary Fund (IMF) figures prior to 1961 include gold purchases by the IMF on behalf of member countries for their payments to the IMF.
[2] Includes $343.8 million payment to the International Monetary Fund. Pursuant to an act approved June 17, 1959 (22 U.S.C. 286e-1), the United States made payment of its increase in quota to the IMF, amounting to $1,375,000,000, on June 23, 1959. The payment was made in gold in the amount of $343,750,000.40, and in nonnegotiable, noninterest-bearing notes of the United States amounting to $1,031,249,999.60, in place of a like amount of currency.

TABLE 97.—*Estimated gold reserves and dollar holdings of foreign countries and international institutions as of June 30, 1962 and 1963*

[In millions of dollars]

Area and country	June 30, 1962		June 30, 1963			
	Total gold and short-term dollars	U.S. Government bonds and notes	Gold	Short-term dollar holdings	Total gold and short-term dollars	U.S. Government bonds and notes
Western Europe:						
Austria	640	(*)	504	310	814	2
Belgium	1,593	2	1,373	233	1,606	1
Denmark	83	29	31	80	111	15
Finland	133	2	61	70	131	(*)
France	3,664	3	2,814	1,718	4,532	3
Germany, Federal Republic of	6,289	3	3,753	2,709	6,462	3
Greece	206	(*)	77	174	251	(*)
Italy	3,429	(*)	2,289	1,133	3,422	1
Netherlands	1,888	2	1,581	316	1,897	2
Norway	131	85	30	135	165	137
Portugal	584	1	478	147	625	1
Spain	568	1	574	162	736	1
Sweden	607	123	182	517	699	73
Switzerland	3,360	83	2,530	890	3,420	83
Turkey	163	(*)	140	16	156	(*)
United Kingdom	r 4,882	440	2,447	1,907	4,354	298
Yugoslavia	18	----------	5	12	17	----------
Other and unidentified [1]	r 653	46	291	170	461	48
Total Western Europe	r 28,891	820	19,160	10,699	29,859	668
Canada	3,566	r 253	755	3,174	3,929	644
Latin American Republics:						
Argentina	310	1	51	342	393	1
Bolivia [2]	27	(*)	2	21	23	(*)
Brazil	511	1	179	169	348	1
Chile	176	(*)	43	129	172	(*)
Colombia	252	1	60	183	243	1
Costa Rica [3]	15	(*)	2	33	35	(*)
Cuba	38	(*)	1	14	15	(*)
Dominican Republic [2]	51	(*)	3	47	50	(*)
Ecuador [3]	43	(*)	19	38	57	(*)
El Salvador [2]	53	(*)	18	49	67	(*)
Guatemala [2]	76	(*)	23	75	98	(*)
Haiti [3]	11	(*)	1	12	13	(*)
Honduras [3]	15	(*)	(*)	24	24	(*)
Jamaica [3]	2	----------	----------	6	6	2
Mexico	r 609	6	92	596	688	4
Nicaragua [3]	18	(*)	(*)	43	43	(*)
Panama	87	1	(*)	111	111	1
Paraguay [3]	5	----------	(*)	7	7	----------

Footnotes at end of table.

TABLE 97.—*Estimated gold reserves and dollar holdings of foreign countries and international institutions as of June 30, 1962 and 1963*—Continued

[In millions of dollars]

Area and country	June 30, 1962: Total gold and short-term dollars	June 30, 1962: U.S. Government bonds and notes	June 30, 1963: Gold	June 30, 1963: Short-term dollar holdings	June 30, 1963: Total gold and short-term dollars	June 30, 1963: U.S. Government bonds and notes
Latin American Republics—Continued						
Peru	137	(*)	47	121	168	(*)
Trinidad and Tobago [3]	([4])			4	4	
Uruguay	259	1	171	91	262	1
Venezuela	765	1	401	504	905	1
Unidentified [5]	r 89	(r)		−29	−29	
Total Latin American Republics	r 3,549	r 12	1,113	2,590	3,703	12
Asia:						
India	296	6	247	48	295	5
Indonesia	r 126	1	44	32	76	1
Iran [2]	155	(*)	129	49	178	(*)
Israel	96	1	46	106	152	1
Japan	2,210	3	304	2,309	2,613	3
Korea	166		2	92	94	
Pakistan [3]	63		53	16	69	(*)
Philippines	213	1	21	202	223	(*)
Syria [3]	22		19	3	22	
Thailand	431	(*)	104	376	480	(*)
Other and unidentified [5 6]	r 857	40	531	500	1,031	39
Total Asia [6]	r 4,635	52	1,500	3,733	5,233	49
Africa:						
South Africa	471	(*)	598	38	636	(*)
United Arab Republic (Egypt)	193	(*)	174	17	191	(*)
Other and unidentified	352	10	119	236	355	10
Total Africa [5]	1,016	10	891	291	1,182	10
Other countries:						
Australia	281	(*)	200	160	360	(*)
New Zealand [3]	5		1	9	10	
Other and unidentified [4 5 6 7]	267	29	29	319	348	30
Total other countries [6 7]	553	29	230	488	718	30
Total foreign countries [6]	r 42,210	r 1,176	23,649	20,975	44,624	1,413
International and regional [8]	r 6,620	r 1,165	2,253	4,837	7,090	1,065

*Less than $500,000.

r Revised.

[1] Includes holdings of the Bank for International Settlements (B.I.S.) and the European Fund, gold to be distributed by the Tripartite Commission for the Restitution of Monetary Gold, and unpublished gold reserves of certain Western European countries. The figures included for the gold reserves of the B.I.S. represent the Bank's net gold assets.

[2] Data on short-term dollars shown for June 30, 1963, are as reported for Apr. 30, 1963.

[3] Data on short-term dollars shown for June 30, 1962, are as reported for Dec. 31, 1961, by banks in the Second (N.Y.) Federal Reserve district only; and for June 30, 1963, as reported for Apr. 30, 1963, by banks in all Federal Reserve districts.

[4] As of June 30, 1962, data for Trinidad and Tobago are included with "Other and unidentified" under "Other countries."

[5] Includes statistical adjustment arising from inclusion of data for some countries as of dates earlier than June 30.

[6] Excludes gold reserves of the U.S.S.R., other Eastern European countries, and China Mainland.

[7] Includes countries in Oceania and Eastern Europe, and Western European dependencies in Latin America.

[8] Includes principally the International Monetary Fund, the International Bank for Reconstruction and Development, and regional organizations in Latin America and Europe, except for the Bank for International Settlements and the European Fund, which are included in "Other Western Europe."

NOTE.—Gold and short-term dollars represent reported and estimated official gold reserves, and official and private short-term dollar holdings (principally deposits and U.S. Treasury bills and certificates) reported by banks in the United States. Short-term dollars exclude nonnegotiable, noninterest-bearing special U.S. notes held by the Inter-American Development Bank and by the International Development Association. U.S. Government bonds and notes represent estimated official and private holdings of U.S. Government securities with an original maturity of more than one year except for nonmarketable U.S. Treasury notes, foreign series, and U.S. Treasury bonds, foreign currency series, which are excluded.

TABLE 98.—*United States gold stock, and holdings of convertible foreign currencies by U.S. monetary authorities, fiscal years 1952–63*

[In millions of dollars]

End of fiscal year or month	Total gold stock and foreign currency holdings	Gold stock[1]		Foreign currency holdings[3]
		Treasury	Total[2]	
1952	23,533	23,346	23,533	----------
1953	22,521	22,463	22,521	----------
1954	22,027	21,927	22,027	----------
1955	21,730	21,678	21,730	----------
1956	21,868	21,799	21,868	----------
1957	22,732	22,623	22,732	----------
1958	21,412	21,356	21,412	----------
1959	19,746	19,705	19,746	----------
1960	19,363	19,322	19,363	----------
1961	17,789	17,550	17,603	186
1962	17,081	16,435	16,527	554
1963	15,956	15,733	15,830	126
1962—July	16,678	16,147	16,182	496
August	16,562	16,098	16,139	423
September	16,531	16,067	16,081	450
October	16,364	15,978	16,026	338
November	16,216	15,977	16,014	202
December	16,156	15,978	16,057	99
1963—January	16,102	15,928	15,974	128
February	16,023	15,878	15,891	132
March	16,078	15,878	15,946	132
April	16,046	15,877	15,914	132
May	16,009	15,797	15,854	155
June	15,956	15,733	15,830	126

[1] Includes gold sold to the United States by the International Monetary Fund with the right of repurchase, the proceeds of which are invested by the Fund in U.S. Government securities; as of June 30, 1963, this amounted to $800 million.

[2] Includes gold in Exchange Stabilization Fund, which is not included in Treasury gold figures shown in the daily Treasury statement or in the *Circulation Statement of United States Money*.

[3] Includes holdings of Treasury and Federal Reserve System.

NOTE.–The United States also has certain drawing rights on the International Monetary Fund, in which the United States has a quota of $4,125 million. In accordance with Fund policies, these drawing rights include the right to draw virtually automatically an amount equal to the sum of the U.S. gold subscription to the Fund ($1,031.2 million) and the Fund's net use of dollars; on June 30, 1963, these two amounts totaled $1,108.7 million. Under appropriate circumstances the United States could draw an additional amount equal to the U.S. quota.

TABLE 99.—*International investment position of the United States, total December 31, 1950; by area, December 31, 1961 and 1962*

[In millions of dollars]

Type of investment	Total			Western Europe		Canada		Latin American Republics		Other foreign countries		International institutions and unallocated	
	1950	1961 r 1	1962 p	1961 r	1962 p	1961 r	1962 p	1961 r 1	1962 p	1961 r	1962 p	1961 r	1962 p
U.S. assets and investments abroad, total	31,539	75,014	80,126	21,283	22,338	19,097	19,753	14,333	15,305	15,181	17,861	5,120	4,869
Private investments	19,004	55,513	59,810	12,713	14,460	19,092	19,746	11,637	12,190	9,513	10,602	2,558	2,812
Long-term	17,488	49,003	52,576	11,398	12,892	17,926	18,529	9,865	10,251	7,257	8,093	2,557	2,811
Direct	11,788	[1] 34,664	37,145	7,713	8,843	11,614	12,131	[1] 8,255	8,472	5,596	6,058	[2] 1,486	[2] 1,641
Foreign dollar bonds	1,692	5,405	6,373	406	554	2,809	3,256	245	345	927	1,133	1,018	1,085
Other foreign securities [3]	2,641	5,602	5,429	2,044	2,174	3,202	2,805	66	97	237	268	53	85
Other	1,367	3,332	3,629	1,235	1,328	301	337	1,299	1,337	497	634	---------	---------
Short-term assets and claims	1,516	6,510	7,234	1,315	1,561	1,166	1,217	1,772	1,939	2,256	2,509	1	1
Denominated in dollars	1,174	5,667	6,322	928	1,119	841	933	1,729	1,890	2,168	2,379	1	1
Denominated in foreign currencies	342	843	912	387	449	325	284	43	49	88	130	---------	(*)
U.S. Government credits and claims	12,535	19,501	[4] 20,316	8,570	7,878	5	7	2,696	3,115	5,668	7,259	2,562	2,057
Long-term	10,768	14,749	[4] 16,040	7,818	7,207	---------	---------	2,521	2,922	3,559	4,941	851	970
Foreign currencies and short-term claims	322	2,946	3,113	636	575	5	4	175	193	2,109	2,318	21	23
IMF position and monetary authorities holdings of convertible currencies	1,445	1,806	1,163	116	96	---------	3	---------	---------	---------	---------	1,690	1,064
Foreign assets and investments in the United States, total [5]	18,407	46,878	47,368	27,442	26,692	6,801	7,229	4,019	4,146	5,052	5,516	2,658	2,879
Long-term	7,997	21,444	20,201	15,274	14,357	3,637	3,517	1,352	1,219	1,129	1,046	52	62
Direct	3,391	7,392	7,597	5,129	5,233	1,989	2,061	130	137	144	166	---------	---------
Corporate stocks	2,925	11,808	10,336	8,706	7,697	1,461	1,242	927	785	663	563	51	49
Corporate, State, and municipal bonds	181	638	657	430	439	1	(*)	75	76	131	129	1	13
Other	1,500	1,606	1,611	1,009	988	186	214	220	221	191	188	---------	---------
Short-term assets and U.S. Government obligations	10,410	25,434	27,167	12,168	12,335	3,164	3,712	2,667	2,927	3,923	4,470	2,606	2,817
Private obligations	6,477	13,363	13,340	5,599	5,318	2,097	1,899	2,215	2,433	3,094	3,167	358	523

U.S. Government obligations	3,933	12,071	13,827	6,569	7,017	1,067	1,813	452	494	829	1,303	2,248	2,294
Long-term marketable issues	1,470	2,789	2,061	806	674	340	271	333	254	79	73	1,231	789
Nonmarketable, medium-term non-convertible securities	----------	----------	251	----------	251	----------	----------	----------	----------	----------	----------	----------	----------
Short-term [5]	2,463	9,282	11,515	5,763	6,092	727	1,542	119	240	750	1,230	1,017	1,505

NOTE—U.S. gold-stock, end of 1950, $22,820 million; end of 1961, $16,947 million; and end of 1962, $16,057 million.

[r] Revised.
[*] Negligible.
[p] Preliminary.
[1] Data for Cuba omitted effective 1961.
[2] Represents the estimated investment in shipping companies registered in Panama and Liberia.
[3] Consists primarily of securities payable in foreign currencies, but includes some dollar obligations, including participation in loan made by the International Bank for Reconstruction and Development.
[4] Outstanding amount of U.S. Government long-term credits is raised by $490 million in 1962 on account of the settlement of postwar aid to Japan, and reduced by $50 million for other miscellaneous adjustments.
[5] Total includes estimated foreign holdings of U.S. currency as of end of 1950, $772 million, and $906 million as of the end of 1961 and 1962; not distributed by area.

SOURCE.—Department of Commerce, *Survey of Current Business*, August 1963.

TABLE 100.—*U.S. balance of payments, calendar 1960—June 1963*

[In millions of dollars]

PART A.—COMMERCIAL SURPLUS ON GOODS AND SERVICES

	1960	1961	1962	Change 1960-62 (improvement, +)	Jan.-June 1963 (seasonally adjusted)
1. Nonmilitary merchandise exports	+19,459	+19,913	+20,479	+1,020	+10,479
2. Less exports financed by Government grants and capital	+1,919	+2,237	+2,345	+426	+1,408
3. Commercial merchandise exports (1−2)	+17,540	+17,676	+18,134	+594	+9,071
4. Nonmilitary merchandise imports	−14,723	−14,497	−16,145	−1,422	−8,172
5. Commercial trade balance	+2,817	+3,179	+1,989	−828	+899
6. Private investment income	+2,873	+3,464	+3,850	+977	+2,027
7. Other nonmilitary service receipts	+4,307	+4,532	+4,801	+494	+2,448
8. Less services financed by Government grants and capital	+288	+430	+538	+250	+332
9. Commercial service exports (6+7−8)	+6,892	+7,566	+8,113	+1,221	+4,143
10. Nonmilitary service imports	−5,434	−5,436	−5,791	−357	−3,047
11. Commercial services balance	+1,458	+2,130	+2,322	+864	+1,096
12. Commercial surplus	+4,275	+5,309	+4,311	+36	+1,995

PART B.—BALANCE ON GOVERNMENT ASSISTANCE AND LONG-TERM CAPITAL ACCOUNTS

	1960	1961	1962	Change 1960-62 (improvement, +)	Jan.-June 1963 (seasonally adjusted)
1. Military expenditures	−3,048	−2,934	−3,028	+20	−1,473
2. Military cash receipts	+320	+398	+1,143	+823	+396
(of which advances on military exports)	(−16)	(+5)	(+470)	(+486)	(+15)
3. Government grants and capital outflows, gross	(−3,405)	(−4,056)	(−4,281)	(−876)	(−2,400)
a. Less transactions involving no immediate dollar outflow [1]	(−2,298)	(−2,940)	(−3,211)	(−913)	(−1,892)
b. Dollar payments abroad (3−3a)	−1,107	−1,116	−1,070	+37	−508
4. Repayments on U.S. Government loans, excluding fundings by new loans	+585	+1,201	+1,182	+597	+280
(of which nonscheduled repayments)	(+48)	(+668)	(+666)	(+618)	(+59)
5. U.S. direct and long-term portfolio investments abroad	−2,544	−2,609	−2,766	−222	−2,117
6. Foreign direct and long-term portfolio investments in the United States	+430	+466	+271	−159	+194
7. Remittances and pensions	−672	−705	−736	−64	−421
8. Changes in Government liabilities [2] [3]	+1	(*)	+248	+247	+54
(of which sales of nonmarketable, medium-term nonconvertible securities)	(−)	(−)	(+251)	(+251)	[4] (+53)
9. Balance, including special Government transactions [3]	−6,035	−5,299	−4,756	+1,279	−3,595
10. Balance, excluding special Government transactions [3]	−6,067	−5,972	−6,143	−76	−3,468

*Less than $500,000.

[1] Comprises principally U.S. merchandise and service exports, refundings of loans of U.S. Government and private U.S. lenders, and subscriptions to international institutions in the form of noninterest-bearing notes.

[2] Excludes liabilities associated with military transactions and with Government assistance operations.

[3] Excludes sales of nonmarketable, medium-term, convertible Government securities.

[4] Also includes $19 million in Export-Import Bank receipts from sales of loan participations abroad.

TABLE 100.—*U.S. balance of payments, calendar 1960–June 1963*—Continued

[In millions of dollars]

PART C.—SELECTED BALANCES

	1960	1961	1962	Change 1960–62 (improvement, +)	Jan.–June 1963 (seasonally adjusted)
A. Regular transactions:					
1. Regular recorded transactions, excluding private short-term capital outflow [1]	−1,792	−774	−1,925	−133	−1,760
2. Recorded domestic and foreign private short-term capital	−1,438	−1,364	−623	+815	−491
3. Unrecorded transactions	−683	−905	−1,025	−342	+20
4. Balance on regular transactions	−3,913	−3,043	−3,573	+340	−2,231
B. Special Government transactions:					
1. Nonscheduled receipts on Government loans	+48	+668	+666	+618	+59
2. Advances on military exports	−16	+5	+470	+486	+15
3. Sales of nonmarketable, medium-term nonconvertible securities			+251	+251	[2] +53
4. Sales of nonmarketable, medium-term convertible securities					+502
5. Balance A+B, excluding B.4	−3,881	−2,370	−2,186	+1,695	−2,104
6. Balance A+B	−3,881	−2,370	−2,186	+1,695	−1,602

[1] Differs from sum of line 12 of Part A and line 10 of Part B by the amount of Export-Import Bank fundings of U.S. private short-term credits. Though not a payment abroad and therefore not included in line 10 of Part B, these fundings are already reflected as receipts of private short-term capital in line A.2 of this part and must, therefore, also be included as Government outpayments in line A.1. During the periods in question they were: 1960, 0; 1961, 111; 1962, 93; and Jan.-June 1963, 33.

[2] Also includes $19 million in Eximbank receipts from sales of loan participations abroad.

PART D.—RESIDUAL FINANCING OF THE DEFICIT

	1960	1961	1962	Change 1960–62 (reductions in financing +)	Jan.–June 1963 (not seasonally adjusted)
1. Residual financing of the deficit	−3,881	−2,370	−2,186	+1,695	1,360
2. Increase in short-term official and banking liabilities and in foreign holdings of marketable U.S. Government bonds and notes (decrease −)	+1,737	+1,764	+653	+1,084	+1,204
3. Foreign private holders including banks and international and regional organizations (excluding IMF)	+289	+1,083	+200	+89	+536
4. Foreign official holders	r +1,448	+681	+453	+995	+668
5. Decrease in U.S. monetary reserve assets (increase −)	+2,144	+606	+1,533	+611	+156
6. IMF position	r +442	−135	+626	−184	−44
7. Convertible currencies		−116	+17	−17	−27
8. Gold	+1,702	+857	+890	+812	+227

r Revised.

TABLE 101.—*Assets and liabilities of the Exchange Stabilization Fund as of June 30, 1962 and 1963*

Assets and liabilities	June 30, 1962	June 30, 1963	Fiscal year 1963, increase, or decrease (−)
ASSETS			
Cash:			
Treasurer of the United States, checking accounts	$1,234,967.79	$1,069,324.12	−$165,643.67
Federal Reserve Bank of New York, special account	77,025,123.17		−77,025,123.17
Total cash	78,260,090.96	1,069,324.12	−77,190,766.84
Special account of the Secretary of the Treasury in the Federal Reserve Bank of New York-gold (schedule 1)	91,750,542.72	96,241,038.90	4,490,496.18
Foreign exchange due from foreign banks:			
Central Bank of Argentina	2,000,000.00	40,000,000.00	38,000,000.00
Banco de Brazil	44,500,000.00	52,200,000.00	7,700,000.00
Bank of Canada	5,000,000.00	553,840.55	−4,446,159.45
Banco Central de Chile		6,250,000.00	6,250,000.00
Bank of England		1,080,563.62	1,080,563.62
Deutsche Bundesbank	2,506,456.80	2,513,878.57	7,421.77
Bank for International Settlements		193,985.81	193,985.81
Banco d'Italia	892,062.14	104,425.16	−787,636.98
Netherlands Bank	3,377,481.05	848,456.62	−2,529,024.43
Swiss National Bank	20,229,010.13	212,783.83	−20,016,226.30
Investments in U.S. Government securities (schedule 2)	72,250,000.00	153,146,974.76	80,896,974.76
Investments in foreign securities (schedule 2)	21,359,073.02	7,695,503.14	−13,663,569.88
Accrued interest receivable (schedule 2)	306,291.54	414,933.08	108,641.54
Accounts receivable	352,796.86	850,987.01	498,190.15
Unamortized premium on U.S. Government securities	716.04		−716.04
Office equipment and fixtures, less allowance for depreciation	27,879.09	34,656.00	6,776.91
Total assets	342,812,400.35	363,411,351.17	20,598,950.82
LIABILITIES AND CAPITAL			
Liabilities:[1]			
Vouchers payable	57,866.65	134,225.53	76,358.88
Employees' payroll allotment account, U.S. savings bonds	3,335.23	3,152.32	−182.91
Accounts payable	263,525.68	477,528.98	214,003.30
Unamortized discount on U.S. Government securities	122,821.32	114,434.28	−8,387.04
Special Allotment Account—Argentina		15,000,000.00	15,000,000.00
Total liabilities	447,548.88	15,729,341.11	15,281,792.23
Capital:			
Capital account	200,000,000.00	200,000,000.00	
Cumulative net income (schedule 3)	142,364,851.47	147,682,010.06	5,317,158.59
Total capital	342,364,851.47	347,682,010.06	5,317,158.59
Total liabilities and capital	342,812,400.35	363,411,351.17	20,598,950.82

[1] For contingent liabilities under outstanding stabilization agreements, see schedule 4.

SCHEDULE 1.—SPECIAL ACCOUNT OF THE SECRETARY OF THE TREASURY IN THE FEDERAL RESERVE BANK OF NEW YORK—GOLD

Location of gold	June 30, 1962		June 30, 1963	
	Ounces	Dollars	Ounces	Dollars
Federal Reserve Bank of New York	943,390.424	$33,018,664.85	1,895,152.809	$66,330,348.22
U.S. Assay Office, New York	1,430,167.976	50,055,883.92	1,595.524	55,848.22
Federal Reserve Bank of New York, Account No. 4	247,320.238	8,675,993.95	850,423.217	29,854,842.46
Total gold	2,620,878.638	91,750,542.72	2,747,171.550	96,241,038.90

TABLE 101.—*Assets and liabilities of the Exchange Stabilization Fund as of June 30, 1962 and 1963*—Continued

SCHEDULE 2.—INVESTMENTS HELD BY THE EXCHANGE STABILIZATION FUND, JUNE 30, 1963

Securities	Face value	Cost (in dollars)	Average price	Accrued interest
U.S. Government securities, public issues:				
Treasury bills	$15,000,000.00	$14,531,650.00		
Treasury bonds:				
2½% of 1963	5,000,000.00	4,967,187.50	99.53125	$46,616.03
2½% of 1964–69 (dated Apr. 15, 1943)	2,200,000.00	2,199,625.00	99.98295	2,254.10
2½% of 1964–69 (dated Sept. 15, 1943)	400,000.00	399,875.00	99.96875	409.83
2½% of 1965–70	10,000,000.00	10,000,000.00	100.00000	72,690.22
2½% of 1966–71	2,400,000.00	2,398,843.75	99.95182	17,445.65
2½% of 1967-72 (dated Nov. 15, 1945)	10,000,000.00	10,000,000.00	100.00000	10,245.90
Total public issues	45,000,000.00	44,497,181.25		149,661.73
Special issues, 2.75% Exchange Stabilization Fund series maturing June 30, 1963	108,146,974.76	108,146,974.76		265,271.35
Total	153,146,974.76	152,644,156.01		414,933.08
Foreign securities:				
Republic of Germany, Treasury bills	DM31,000,000.00	7,695,503.14		

SCHEDULE 3.—INCOME AND EXPENSE

Classification	Jan. 31, 1934, through— June 30, 1962	Jan. 31, 1934, through— June 30, 1963
Income:		
Profits on transactions in:		
Gold and exchange (including profits from handling charges on gold)	r $135,657,414.10	r $137,233,959.55
Sale of silver to U.S. Treasury	3,473,362.29	3,473,362.29
Silver	102,735.27	102,735.27
Investments	2,583,989.43	2,631,833.77
Miscellaneous	r 91,244.51	105,621.96
Interest on:		
Investments	23,261,965.29	26,392,560.89
Foreign balances	r 8,222,097.17	r 11,831,626.28
Total income	173,392,808.06	181,771,700.01
Expense:		
Personal compensation and benefits	23,538,812.86	25,824,452.65
Travel	1,422,462.92	1,568,826.73
Transportation of things	2,016,752.65	2,142,512.75
Rent, communications, and utilities	755,302.78	800,359.69
Supplies and materials	182,895.44	204,298.53
Other	3,111,729.94	3,549,239.60
Total expenses	31,027,956.59	34,089,689.95
Cumulative net income	142,364,851.47	147,682,010.06

r Revised.

SCHEDULE 4.—CURRENT U.S. STABILIZATION AGREEMENTS, JUNE 30, 1963

Country	Effective dates			Amounts (in millions)		
	Original	Renewal	Expiration	Original agreement	Advances	Repayments
Argentina	June 7, 1962 [1]	Mar. 27, 1963	Oct. 6, 1963	$50	$40	
Brazil	May 16, 1961		May 15, 1963 [2]	70	130	$77.8
Chile	Jan. 31, 1963		Jan. 30, 1964	10	6.25	
Mexico	Jan. 1, 1958	Jan. 1, 1962	Dec. 31, 1963	75		

[1] Agreement dated Jan. 1, 1959, terminated.
[2] No further drawings permitted after expiration.

TABLE 102.—*Summary of receipts, withdrawals, and balances of foreign currencies acquired by the United States without purchase with dollars, fiscal year 1963*

[In U.S. dollar equivalent]

Balance held by Treasury Department, July 1, 1962		r $1,285,062,250.28
Receipts:		
Sale of surplus agricultural commodities pursuant to:		
Section 402, Mutual Security Act of 1954 (22 U.S.C. 1922)	$13,039,545.13	
Title I, Public Law 480, Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1704-5)	1,202,860,973.05	
Commodity Credit Corporation Charter Act (15 U.S.C. 713a)	198,445.70	
Loans and other assistance:		
Section 104(e) and 104(g) Public Law 480, loan repayments, including interest	65,219,729.56	
Section 635, Foreign Assistance Act of 1961 (22 U.S.C. 2395)	131,454.89	
Section 612, Foreign Assistance Act of 1961 (22 U.S.C. 2362) principal and interest on loans	30,384,702.85	
Development Loan Fund, Foreign Assistance Act of 1961 (22 U.S.C. 2362) principal and interest on loans	66,688,452.42	
Informational media guaranties (22 U.S.C. 1442):		
Principal	2,817,273.88	
Interest	4,501.70	
Lend-lease and surplus property agreements (22 U.S.C. 412b), and (50 App. U.S.C. 1641(b)(1), 1946 ed.) [1]	14,456,893.14	
Bilateral agreements 5% and 10% counterpart funds, (22 U.S.C. 1852(b))	17,203,768.82	
Foreign programs held in trust	40,039,625.87	
All other sources	106,694,605.39	
Total receipts		1,559,739,972.40
Total available		2,844,802,222.68
Withdrawals:		
Sold for dollars, proceeds credited to: [2]		
Treasury accounts and miscellaneous receipts	125,396,387.42	
Commodity Credit Corporation capital fund	159,336,823.63	
U.S. Information Agency	2,278,663.93	
Treasury suspense account	−8,000.00	
Total sold for dollars	287,003,874.98	
Requisitioned for use without reimbursement to the Treasury pursuant to:		
Section 104, Public Law 480, as amended (7 U.S.C. 1704)	876,536,477.27	
Section 402, Mutual Security Act, as amended (22 U.S.C. 1922)	12,972,435.21	
Trust agreements	40,047,629.88	
Other authority	41,837,595.56	
Total requisitioned without reimbursement	971,394,137.92	
Total withdrawals		1,258,398,012.90
Adjustment for rate differences		−39,333,639.63
Balance held by Treasury Department, June 30, 1963		1,547,070,570.15

Footnotes at end of table.

TABLE 102.—*Summary of receipts, withdrawals, and balances of foreign currencies acquired by the United States without purchase with dollars, fiscal year 1963*—Con.

[In U.S. dollar equivalent]

Analysis of balance held by Treasury Department June 30, 1963:	
Proceeds for credit to miscellaneous receipts	$292,817,459.87
Proceeds for credit to agency accounts:	
Informational media guaranty funds:	
Principal	1,242,683.64
Commodity Credit Corporation capital funds	225,943,708.15
Held in suspense for identification	694.75
For program use under sec. 103(c), Mutual Security Act of 1954, as amended (22 U.S.C. 1813)	1,054,185.12
For program allocations:	
Section 104, Title I, Public Law 480, as amended	1,003,884,696.63
Section 635, Foreign Assistance Act of 1961 (22 U.S.C. 2395)	125,113.68
Section 612, Foreign Assistance Act of 1961 (22 U.S.C. 2362)	22,002,028.31
Total	[3] 1,547,070,570.15
Balances held by other executive agencies, June 30, 1963, for purpose of:	
Economic and technical assistance under Mutual Security Act	91,388,494.14
Programmed uses under Agricultural Trade Development and Assistance Act	1,249,796,334.46
Military family housing in foreign countries	8,226,965.79
Trust agreements with foreign countries	13,849,584.76
Other	1,857,062.31
Total	1,365,118,441.46
Grand total	2,912,189,011.61

[r] Revised.

[1] Collections under lend-lease and surplus property agreements will continue to be made until such agreements are satisfied, although the act originally authorizing such action has been repealed.

[2] Dollars acquired from the sale of foreign currencies are derived from charges against the dollar appropriations of the Federal agencies which use the currencies. These dollar proceeds are credited to either miscellaneous receipts or other appropriate accounts on the books of the Treasury.

[3] Represents the dollar value of currencies held in the accounts of the Treasury Department only. Currencies transferred to agency accounts pursuant to requisitions submitted to the Treasury Department, or as otherwise authorized, are accounted for by the U.S. Government agencies. Balances held by executive departments and agencies as of June 30, 1963, are stated at end of summary.

NOTE.—For the purpose of providing a common denominator, the currencies of 94 foreign countries are herein stated in U.S. dollar equivalents. It should not be assumed that dollars in amounts equal to the balances shown are actually available. The dollar equivalents are calculated at varying rates of exchange. Foreign currencies deposited under certain provisions of Public Law 480 and the Mutual Security Act were converted at deposit rates provided for in the international agreements with the respective countries. The greater portion of these currencies is available to agencies without reimbursement pursuant to legislative authority and, when disbursed to the foreign governments, will generally be accepted by them at the deposit or collection rates. Currencies available for sale for dollars and certain other U.S. uses were converted at market rates of exchange in effect on the date of the sale and market rates in effect at the end of the month for transactions during the month, these market rates being those used to pay U.S. obligations. The closing balances were converted at the June 30, 1963, market rates.

For detailed data on collections and withdrawals by country and program, see Part V of the *Combined Statement of Receipts, Expenditures and Balances of the United States Government for the Fiscal Year Ended June 30, 1963.*

TABLE 103.—*Balances of foreign currencies acquired by the United States without purchase with dollars, June 30, 1963*

Country	Currency	In Treasury accounts		In agency accounts	
		Foreign currency	Dollar equivalent	Foreign currency	Dollar equivalent
Afghanistan	Afghani	362,409.38	$7,248.19	60,340,240.49	$1,206,804.81
Argentina	Peso	53,455,950.81	389,369.63	46,150,589.16	336,129.56
Australia	Pound	319,415.14	718,109.60	759.67	1,707.90
Austria	Schilling	33,751,386.91	1,280,737.97	872,546.67	33,924.83
Belgium	Franc	34,283,112.00	687,036.31	310,166.00	6,215.75
Bermuda	Pound			338.53	947.75
Bolivia	Peso	19,889,705.64	1,674,922.58	15,297,257.81	1,288,190.13
Brazil	Cruzeiro	14,652,433,937.70	24,420,723.25	42,517,972,406.80	70,863,287.35
Burma	Kyat	45,387,980.93	9,620,173.98	106,734,813.58	22,622,893.93
Cambodia	Riel	3,732,709.68	107,138.62	30,449,352.13	873,976.81
Canada	C. Dollar	93,828.10	87,281.95		
Ceylon	Rupee	13,314,128.10	2,808,887.78	63,952,921.79	13,492,177.59
Chile	Escudo	4,609,495.71	1,605,790.53	7,593,172.97	2,531,057.66
China	N. T. Dollar	773,479,888.18	19,336,997.21	1,106,177,260.16	27,654,431.49
Colombia	Peso	33,857,329.35	3,392,517.97	22,590,475.55	2,263,574.71
Congo, Republic of the.	Franc	264,273,773.00	4,077,669.70	516,821,267.00	7,974,406.22
Costa Rica	Colon	23,419.25	3,537.65	171,259.01	25,869.94
Cyprus	Pound	139,503.62	388,914.49	327.41	912.77
Denmark	Krone	5,770,063.87	837,454.84	99,465.73	14,436.25
Ecuador	Sucre	17,161,775.23	815,286.23	25,007,833.86	1,188,020.60
El Salvador	Colon	4,085.85	1,634.34		
Ethiopia	E. Dollar	561,711.40	226,954.10	758,242.44	306,360.58
Finland	New Markka	12,487,243.14	3,892,532.14	3,818,276.11	1,190,235.70
France	Franc	31,834,913.39	6,449,045.60	2,124,073.02	433,484.29
Germany, Federal Republic of.	W. D. Mark	17,614,075.47	4,425,647.11	55,147,355.15	13,856,119.38
Germany, East	E. D. Mark	32,042.69	2,584.09		
Ghana	Pound	97,578.05	275,022.72	528.56	1,489.76
Greece	Drachma	337,607,500.40	11,253,583.35	216,479,602.95	7,215,986.77
Guatemala	Quetzal	25,500.97	25,500.97	235,944.71	235,944.71
Guinea	Franc	475,705,418.00	1,929,839.42	1,193,730,999.00	4,842,722.09
Honduras	Lempira	604,552.59	305,329.59		
Hong Kong	H. K. Dollar	11,422,385.43	1,988,230.70	60,963.74	10,611.62
Iceland	Krona	54,364,501.70	1,265,762.54	42,888,976.55	998,579.20
India	Rupee	1,677,817,659.01	353,746,080.35	3,039,350,052.78	640,807,516.93
Indonesia	Rupiah	1,132,413,821.90	3,594,964.52	5,564,006,657.38	17,663,513.20
Iran	Rial	194,499,517.78	2,559,204.19	404,981,518.24	5,328,704.18
Iraq	Dinar			113.08	316.66
Ireland	Pound	1,930.68	5,415.66	604.52	1,695.72
Israel	Pound	99,747,781.00	33,785,032.62	101,360,396.18	33,786,798.72
Italy	Lira	3,310,338,234.00	5,330,657.38	2,842,112,920.00	4,976,974.48
Jamaica	Pound	5,216.60	14,632.82	43.57	122.22
Japan	Yen	11,026,609,621.15	30,629,471.16	205,754,309.65	571,539.75
Jordan	Dinar			618.90	1,739.02
Kenya	E. A. Shilling			4,481.47	629.69
Korea, Republic of.	Won	2,530,853,304.66	19,543,268.76	2,016,768,884.16	15,573,504.90
Laos	Kip			124,669,787.12	1,568,173.42
Lebanon	Pound	5,060,821.30	1,635,160.35	8,338.01	2,694.03
Liberia	U.S. Dollar	21,511.21	21,511.21		
Libya	Pound	54,414.00	152,591.18	27,955.60	78,394.85
Malaya, Federation of.	Malayan Dollar.	1,504,482.97	493,596.77		
Mexico	Peso	46,267,091.61	3,704,330.79	7,430,549.79	594,919.92
Morocco	Dirham	29,710,608.03	5,924,348.55	59,255,610.20	11,815,675.02
Nepal	Indian Rupee	3,790,020.47	799,076.63	71,294,664.53	15,031,554.82
Nepal	Nepalese Rupee.	78,511.22	10,330.42	12,519.81	1,647.34
Netherlands	Guilder	5,068,367.46	1,411,015.45	3,468,977.09	965,750.86
New Zealand	Pound			254.12	711.64
Nicaragua	Cordoba	213,689.47	30,527.06		
Nigeria	Pound	164,488.03	465,839.84	134.26	380.24
Norway	Krone	5,466,074.81	767,491.56	29,579.35	4,153.24
Pakistan	Rupee	752,561,974.94	156,947,231.50	156,448,555.96	32,627,436.09
(Afghanistan, U.S.D.O.)	Pakistan Rupee.			407,428.99	84,969.55
Panama	Balboa	101,316.59	101,316.59		
Paraguay	Guarani	224,609,711.01	1,782,616.76	464,660,979.29	3,687,785.55
Peru	Sol	53,099,812.93	1,988,118.87	189,847,392.78	7,083,857.95
Philippines, Republic of the.	Peso	19,625,985.80	5,032,304.05	98,308,917.31	25,207,414.69
Poland	Zloty	10,610,162,569.17	442,090,107.04	314,740.96	13,114.21

Footnotes at end of table.

TABLE 103.—*Balances of foreign currencies acquired by the United States without purchase with dollars, June 30, 1963*—Continued

Country	Currency	In Treasury accounts		In agency accounts	
		Foreign currency	Dollar equivalent	Foreign currency	Dollar equivalent
Portugal	Escudo	9, 589, 803. 68	$334, 839. 51	72, 751. 94	$2, 540. 22
Senegal	C.F.A. Franc			363, 952. 00	1, 485. 52
Sierra Leone	West African Pound.	434. 36	1, 228. 41	1, 502. 49	4, 249. 13
Singapore	Malayan Dollar.	178, 724. 39	58, 636. 61	649. 63	213. 13
Somali	Somalo			423, 491. 80	59, 646. 73
South Africa, Union of.	Rand	28, 506. 94	40, 054. 71	34. 45	48. 52
Southern Rhodesia.	S. Rh. Pound			3, 414. 15	9, 598. 42
Spain	Peseta	1, 213, 935, 400. 26	20, 306, 714. 65	2, 117, 450, 525. 55	35, 927, 404. 05
Sudan	Pound	716, 843. 80	2, 071, 204. 31	1, 486, 373. 25	4, 294, 635. 32
Sweden	Krona	4, 595, 137. 49	886, 749. 81	4, 631. 73	893. 81
Switzerland	Franc	6, 862, 031. 94	1, 584, 033. 22	35, 819. 77	8, 268. 64
Syrian Arab Republic.	Pound	18, 685, 849. 89	4, 917, 328. 92	78. 468, 563. 09	20, 649, 621. 87
Thailand	Baht	16, 590, 089. 30	803. 394. 15	44, 710, 257. 73	2, 165, 145. 65
Tunisia	Dinar	2, 127, 907. 45	5, 106, 569. 45	4, 987, 283. 43	11, 968, 522. 76
Turkey	Lira	451, 455, 038. 71	50, 161, 670. 96	364, 755, 112. 94	40, 528, 345. 88
United Arab Republic:					
Cairo	Egy. Pound	46, 447, 260. 72	107, 046, 003. 16	45, 227, 881. 91	104, 235, 727. 00
United Kingdom	Pound	3, 593, 532. 45	10, 063, 098. 58	4, 995, 187. 35	13, 988, 203. 25
Uruguay	Peso	34, 594. 364. 69	2, 103, 000. 89	7, 221, 753. 66	439, 012. 38
Venezuela	Bolivar	1, 659, 907. 63	365, 618. 42		
Viet-Nam	Piastre	639, 367, 981. 80	8, 786, 147. 90	623, 817, 653. 82	8, 572, 456. 42
Yugoslavia	Dinar	116, 674, 926, 949. 00	155, 566, 569. 26	92, 482, 675, 293. 00	123, 310, 233. 72
Total			[1] 1, 547. 070, 570. 15		[1] 1, 365, 118, 441. 46

[1] For the purpose of providing a common denominator, the currencies of 94 foreign countries are herein stated in U.S. dollar equivalents. It should not be assumed that dollars in amounts equal to the balances shown are actually available.

Indebtedness of Foreign Governments

TABLE 104.—*Indebtedness of foreign governments to the United States arising from World War I, and payments thereon as of June 30, 1963*

	Indebtedness as of June 30, 1963				Cumulative payments since inception				
	Principal		Interest due and unpaid	Total	Principal		Interest		Total
	Due and unpaid [1]	Unmatured			Funded debts	Unfunded debts	Funded debts	Unfunded debts	
Armenia	$11,959,917.49		$26,195,087.50	$38,155,004.99					
Austria [2]	21,567,349.11	$4,413,131.55	44,058.93	26,024,539.59	$862,668.00				$862,668.00
Belgium	173,500,000.00	227,180,000.00	252,587,077.60	653,267,077.60	17,100,000.00	$2,057,630.37	$14,490,000.00	$18,543,642.87	52,191,273.24
Cuba						10,000,000.00		2,286,751.58	12,286,751.58
Czechoslovakia	70,791,108.90	94,450,000.00	92,405,971.80	257,647,080.70	19,829,914.17			304,178.09	20,134,092.26
Estonia	6,110,012.87	10,356,000.00	18,331,227.94	34,797,240.81			1,246,990.19	1,441.88	1,248,432.07
Finland		5,425,096.97	[3] 49,299.57	5,474,396.54	3,574,903.00		10,145,710.08	572,246.31	[4] 14,292,859.39
France	1,840,647,213.87	2,023,002,786.13	2,476,514,589.32	6,340,164,589.32	161,350,000.00	64,689,588.18	38,650,000.00	221,386,302.82	486,075,891.00
Great Britain	1,582,000,000.00	2,786,000,000.00	4,781,859,301.93	9,149,859,301.93	232,000,000.00	202,181,641.56	1,232,775,999.07	357,896,657.11	2,024,854,297.74
Greece	22,066,000.00	9,450,000.00	13,202,655.10	44,718,655.10	981,000.00	2,922.67	1,983,980.00	1,159,153.34	4,127,056.01
Hungary [5]	660,695.00	1,247,865.00	2,027,040.90	3,935,600.90	73,995.50		482,171.22	753.04	556,919.76
Italy	686,500,000.00	1,318,400,000.00	216,692,909.34	2,221,592,909.34	37,100,000.00	364,319.28	5,766,708.26	57,598,852.62	100,829,880.16
Latvia	2,515,564.20	4,363,900.00	7,541,439.84	14,420,904.04	9,200.00		621,520.12	130,828.95	761,549.07
Liberia						26,000.00		10,471.56	36,471.56
Lithuania	2,222,245.00	3,975,437.00	6,746,671.22	12,944,353.22	234,783.00		1,001,626.61	1,546.97	1,237,956.58
Nicaragua [6]						141,950.36		26,625.48	168,575.84
Poland	73,700,000.00	132,357,000.00	229,421,984.20	435,478,984.20	[7] 1,287,297.37		19,310,775.90	2,048,224.28	22,646,297.55
Rumania	27,792,560.43	36,068,000.00	43,708,811.02	107,569,371.45	2,700,000.00	1,798,632.02	29,061.46	263,313.74	[8] 4,791,007.22
Russia	192,601,297.37		428,819,108.19	621,420,405.56				8,750,311.88	[9] 8,750,311.88
Yugoslavia [10]	21,640,000.00	39,985,000.00	16,561,718.78	78,186,718.78	1,225,000.00	727,712.55		636,059.14	2,588,771.69
Total	4,736,273,964.24	6,696,674,216.65	8,612,708,953.18	20,045,657,134.07	478,328,761.04	281,990,396.99	1,326,504,542.91	671,617,361.66	2,758,441,062.60

[1] Includes amounts postponed under moratorium agreements.

[2] The German Government was notified on Apr. 1, 1938, that the Government of the United States would look to the German Government for the discharge of the indebtedness of the Government of Austria to the Government of the United States. A letter dated Mar. 6, 1951, from Chancellor Adenauer to the Allied High Commission for Germany stated that Germany acknowledged liability for interest and similar charges on Austrian securities falling due between Mar. 12, 1938, and May 8, 1945. Article 28 (1) of the Austrian State Treaty of May 15, 1955, recognized that these charges constitute a claim on Germany and not on Austria.

[3] Represents payments deferred.

[4] Payments through June 30, 1963, totaling $5,589,878.72 were made available for education and training of Finnish citizens in the United States, and of U.S. citizens in Finland pursuant to the act of Aug. 24, 1949 (20 U.S.C. 222–224).

[5] Although agreements provide for payment in U.S. dollars, interest payments due from Dec. 15, 1932, to June 15, 1937, were deposited in pengo equivalent, with the Hungarian National Bank.

[6] Obligations held by the United States, and interest thereon, were cancelled pursuant to the agreement of Apr. 14, 1938, between the United States and Nicaragua.

[7] Excludes claim allowance of $1,813,428.69, dated Dec. 15, 1929.

[8] Excludes payment of $100,000.00 on June 15, 1940, as token of good faith pending negotiation of a new agreement.

[9] Consists principally of proceeds from liquidation of Russian assets in the United States.

[10] The Yugoslavian Government has not accepted the moratorium provisions.

TABLE 105.—*World War I indebtedness, payments, and balances due under agreements between the United States and Germany as of June 30, 1963*

Agreement of June 23, 1930, and May 26, 1932	Army costs (reichsmarks)	Mixed claims (reichsmarks)	Total (reichsmarks)	Total (U.S. dollars)
Indebtedness as funded	1,048,100,000.00	[1] 1,632,000,000.00	2,680,100,000.00	[2] $1,080,884,330.00
Payments:				
Principal	50,600,000.00	81,600,000.00	132,200,000.00	[3] 31,539,595.84
Interest	856,406.25	5,610,000.00	6,466,406.25	[3] 2,048,213.85
Total	51,456,406.25	87,210,000.00	138,666,406.25	[3] 33,587,809.69
Balance:				
Principal	997,500,000.00	1,550,400,000.00	2,547,900,000.00	[2] 1,027,568,070.00
Interest	[4] 436,614,301.50	397,800,000.00	[4] 834,414,301.50	[2] 336,519,287.79
Total	1,434,114,301.50	1,948,200,000.00	[5] 3,382,314,301.50	[2] 1,364,087,357.79

Agreement of February 27, 1953 [6]	Indebtedness as funded in U.S. dollars	Total payments through June 30, 1963	Balance due
Mixed claims (U.S. dollars)	$97,500,000.00	$37,500,000.00	$60,000,000.00

[1] Excludes 489,600,000 reichsmarks canceled under agreement of Feb. 27, 1953 (see footnote 6).

[2] The amount of indebtedness as funded was converted to U.S. dollars at the rate of 40.33 cents to the reichsmark.

[3] The amount of payments was converted at the rate applicable at time of payment, i.e., 40.33 or 23.82 cents to the reichsmark.

[4] Includes interest accrued under unpaid moratorium agreement annuities amounting to 5,289,989 reichsmarks.

[5] Includes 4,027,611.95 reichsmarks deposited by the German Government in the Konversionskasse fur deutsche Auslandsschulden and not paid to the United States in dollars as required by the agreement.

[6] Under the agreement of Feb. 27, 1953, the United States agreed to cancel and deliver to the German Government 24 reichsmark bonds of 20,400,000 reichsmarks each, issued under the agreement of June 23, 1930, and receive 26 dollar bonds amounting to $97,500,000. These bonds mature serially over a period of 25 years beginning Apr. 1, 1953. The first 5 bonds are in amounts of $3,000,000 each, the next 5 in amounts of $3,700,000 each, and the remaining 16 in amounts of $4,000,000 each.

TABLE 106.—*Outstanding indebtedness of foreign countries on U.S. Government credits (exclusive of indebtedness arising from World War I) as of June 30, 1963, by area, country, and major program* [1]

[In millions of dollars]

Area and country	Under Export-Import Bank Act	Under "American Aid" (and related acts)	Under Agricultural Trade Development and Assistance Act: Loans of foreign currencies: To foreign governments	Under Agricultural Trade Development and Assistance Act: Loans of foreign currencies: To private enterprises	Under Agricultural Trade Development and Assistance Act: Long-term dollar credits	Lend-lease, surplus property, and grant settlements [2]	Other credits	Total
Western Europe:								
Austria	17		25			(*)		43
Belgium and Luxembourg	33	55				7		95
Denmark	4	32						36
Finland	57		19	2		9		86
France	387	5		4		458		853
Germany, Federal Republic of	(*)	15				211		227
Greece	11	49	49	4		17		131
Iceland	(*)	21	8			(*)		29
Ireland		118						118
Italy	1	(*)		3		29		33
Netherlands	22	114				3		139
Norway	10	28						38
Portugal	23	30	3		12			68
Spain	120	71	174					365
Turkey	9	263	72	14		1		358
United Kingdom		361				504	3,205	4,070
Yugoslavia	52	160	191		33	(*)		435
European Atomic Energy Community							8	8
European Coal and Steel Community		80						80
North Atlantic Treaty Organization (Maintenance Supply Services Agency)		6						6
Total Western Europe	746	1,410	542	27	44	1,238	3,213	7,219
Other Europe:								
Czechoslovakia						5		5
Hungary						9		9
Poland	20	60				17		97
U.S.S.R						206		206
Total other Europe	20	60				237		316
Asia:								
Afghanistan	35	12						47
Burma		17	8			1		25
Ceylon		5	4					9
China-Taiwan	29	121	6	1	9	117		282
India	196	909	488	30		3		1,626
Indonesia	103	31	16			39		190
Iran	44	181	17	(*)		24		266
Israel	87	115	116	7				325
Japan	306		105			462		872
Jordan	1	2						3
Korea		25		1		21		46
Lebanon	2	3						6
Malaya	(*)	14						14
Pakistan	10	368	155	3		1		537
Philippines	38	33	5	(*)		(*)		77
Syria		1	2					3
Thailand	20	39	4					62
Vietnam		54						54
Other Asia	(*)	(*)	(*)			(*)	(*)	(*)
Total Asia	871	1,928	925	42	9	668	(*)	4,444

Footnotes at end of table.

TABLE 106.—*Outstanding indebtedness of foreign countries on U.S. Government credits (exclusive of indebtedness arising from World War I) as of June 30, 1963, by area, country, and major program* [1]—Continued

[In millions of dollars]

Area and country	Under Export-Import Bank Act	Under "American Aid" (and related acts)	Under Agricultural Trade Development and Assistance Act: Loans of foreign currencies: To foreign governments	Under Agricultural Trade Development and Assistance Act: Loans of foreign currencies: To private enterprises	Under Agricultural Trade Development and Assistance Act: Long-term dollar credits	Lend-lease, surplus property, and grant settlements [2]	Other credits	Total
Latin America:								
Argentina	301	48	2					351
Bolivia	34	9	6		1			50
Brazil	738	106	87			3		934
Chile	169	155	31	(*)	17			372
Colombia	121	77	28	3				230
Costa Rica	16	10						25
Cuba	36							36
Dominican Republic	1	26			5			32
Ecuador	15	25	6	(*)	(*)			47
El Salvador	7	4			1			12
Guatemala	2	6						8
Haiti	27	5				(*)		32
Honduras	2	10						11
Mexico	293	2	10	3				309
Nicaragua	11	6						16
Panama	11	14						25
Paraguay	9	10	4	(*)				23
Peru	99	13	13	1	2	1		128
Trinidad and Tobago	4							4
Uruguay	4	13	4	2		(*)		22
Venezuela	90	32						122
Other Latin America	(*)							(*)
Unspecified Latin America	23					7		30
Total Latin America	2,013	571	192	9	24	10		2,819
Africa:								
Ethiopia	5	23			1	(*)		29
Ghana	6	2						8
Guinea		1						1
Liberia	66	1			1	19		86
Libya		8						8
Morocco		187						187
Nigeria	1	4						4
Rhodesia and Nyasaland		9						9
Somali Republic		1						1
South Africa	43							43
Sudan		10						10
Tanganyika		2						2
Tunisia	2	17	5					24
United Arab Republic (Egypt)	24	28	198	1				251
Total Africa	146	292	204	1	2	19		663
Oceania:								
Australia	6							6
New Zealand	4					1		5
Total Oceania	10					1		10
United Nations							113	113
Unspecified		6						6
Total all areas	3,806	4,266	1,863	79	79	2,172	3,326	15,591

*Less than $500,000.

[1] Includes estimates for the U.S. dollar equivalent of receivables denominated in other than dollars and/or payable at the option of the debtor in foreign currencies, goods, or services. The total amount of such estimates approximates $3,784,000,000.

[2] Data include $662,000,000 for settlements for grants and $135,000,000 for surplus property credits administered by Federal agencies other than the Treasury Department which are not included in table 107. Data exclude about $65,000,000 in defaulted short-term "cash" credits and deferred and otherwise past due interest and $17,000,000 interest billed in fiscal 1963 but not due until 1964.

SOURCE.—Department of Commerce, Office of Business Economics, from information made available by operating agencies.

TABLE 107.—*Status of accounts under lend-lease and surplus*

PART I.—SUMMARY OF AMOUNTS BILLED, COLLECTED,

Country, etc.	Amount billed (net) [1]	Credits		
		Collections		Other credits
		U.S. dollars	Foreign currency (in U.S. dollar equivalent)	
Australia	$43,005,918.79	$34,170,930.90	$7,971,470.71	$863,517.18
Austria	10,561,963.92	2,939,269.97	6,677,500.00	556,807.01
Belgium	116,159,257.72	36,489,867.42	11,303,228.53	61,340,822.18
Burma	6,671,411.26	164,535.70	5,560,577.14	142,077.32
Canada	388,765,007.77	388,765,007.77		
China:				
Regular account	96,338,954.53	12,477,673.41		
Special account		3,584,435.73		
Czechoslovakia	9,911,651.62	596,730.50	1,062,961.45	1,990,965.94
Denmark	5,240,272.66	4,266,935.24	931,000.00	42,337.42
Ethiopia	4,558,958.36	3,899,523.26		635,814.50
Finland	24,219,770.03	12,397,945.78	2,271,136.46	697,805.34
France	1,224,647,258.38	655,632,583.25	51,144,088.03	51,402,738.29
Germany, Federal Republic of	223,917,455.45	2,745,879.43	210,455,344.92	
Greece:				
Regular account	71,137,234.32	35,886,042.57	16,695,790.66	1,156,763.08
Special account		1,766.62		
Greenland	8,351.28	8,351.28		
Hungary	20,773,572.18		9,962,500.10	1,818,002.31
Iceland	4,855,981.42	4,496,553.29	250,198.40	
India	[4] 199,298,786.93	184,546,351.76	6,943,404.63	287,954.38
Iran	13,656,643.52	3,027,267.45	7,829,287.39	
Iraq	54.00	54.00		
Italy	264,723,954.63	155,092,083.57	77,169,772.70	3,541,571.44
Japan	13,728,409.82		12,971,483.00	756,926.82
Korea	32,427,533.10		2,524,307.70	3,977,576.38
Liberia	19,440,619.66	517,937.27		
Lebanon	1,656,638.01		521,818.51	1,134,819.50
Luxembourg	120.00	120.00		
Middle East	50,377,089.88	11,126,866.72	39,234,823.16	
Netherlands	176,717,296.46	102,844,231.54	42,886,121.55	28,383,412.29
New Zealand	4,935,288.23	1,962,908.59	1,702,659.28	644,920.86
Norway	21,277,848.08	11,262,135.23	8,435,074.95	1,580,637.90
Pakistan	[7] 39,357,444.98	38,194,462.44		
Philippines	5,000,000.00		2,005,855.29	2,988,158.91
Poland	49,140,720.53	21,006,930.48	10,385,744.17	
Saudi Arabia	[8] 21,372,452.66	21,304,832.18		
Southern Rhodesia	1,415,510.78	1,371,931.69		
Sweden	2,115,455.91	240,689.98	1,824,653.33	50,112.60
Thailand	7,064,989.28	2,235,736.09	4,178,321.72	650,931.47
Turkey	14,474,333.51	11,064,231.77	2,110,714.28	1,281,136.93
Union of South Africa	117,774,297.35	116,608,622.69	242,487.98	923,186.68
United Kingdom	1,071,936,837.96	354,603,170.35	36,481,171.74	154,635,335.62
U.S.S.R.	321,634,358.63	110,843,708.95		
Yugoslavia	[10] 720,117.35	63,376.50	16,300.00	623,065.20
American Republics	136,685,117.19	114,365,404.88	11,921,129.75	3,154,183.21
American Red Cross	2,023,386.90	2,023,386.90		
Federal agencies	243,114,726.52	243,092,796.09		
Military withdrawals	187,629.76	649.00	186,980.76	
Miscellaneous items	1,472,077.38	1,136,573.15	335,504.23	
United Nations Relief and Rehabilitation Administration	7,226,762.25	7,226,762.25		
Total	5,091,729,520.95	[12] 2,714,287,253.64	594,193,412.52	[12] 325,261,580.76

[1] Includes accrued interest through July 1, 1963.
[2] Principal and interest billings considered past due as of June 30, 1963, and items subject to negotiation.
[3] Credit. Represents amounts collected under advance payment agreements not applied to outstanding indebtedness.
[4] Agreement provides for repayment of 37,099,999.99 rupees. In accordance with Treasury Department Circular No. 930, an adjustment of $1,307,924.32 has been made to show current dollar value of receivable.
[5] Represents unadjusted balance of lend-lease silver debt; final determination to be made at a later date.
[6] Collection of these amounts was made subsequent to June 30, 1963.
[7] Principal obligation increased $1,343,011.56 to give effect to U.S. dollar payments in lieu of silver.
[8] Principal obligation increased $6,214,322.89 to give effect to U.S. dollar payments in lieu of silver.

property agreements (World War II) as of June 30, 1963

AND BALANCES DUE THE UNITED STATES

Balances due the United States					
Lend-lease settlement agreements	Other lend-lease accounts	Surplus property agreements	Total due	Amount past due [2]	To be repaid over a period of years by agreement
		$388,386.94	$388,386.94		$388,386.94
		7,025,339.59	7,025,339.59		7,025,339.59
		804,221.10	804,221.10		804,221.10
	$83,861,281.12		83,861,281.12	$59,250,982.25	24,610,298.87
	[3] −3,584,435.73		[3] −3,584,435.73		[3] −3,584,435.73
		6,260,993.73	6,260,993.73	3,418,208.35	2,842,785.38
$23,620.60			23,620.60		23,620.60
		8,852,882.45	8,852,882.45		8,852,882.45
239,484,934.12		226,982,914.69	466,467,848.81		466,467,848.81
		10,716,231.10	10,716,231.10		10,716,231.10
		17,398,638.01	17,398,638.01		17,398,638.01
	[3] −1,766.62		[3] −1,766.62		[3] −1,766.62
		8,993,069.77	8,993,069.77	4,022,573.08	4,970,496.69
		109,229.73	109,229.73		109,229.73
	4,529,980.87	[4] 2,991,095.29	7,521,076.16	7,290,100.79	[5] 230,975.37
711,753.36	90,000.00	1,998,335.32	2,800,088.68	2,800,088.68	
		28,920,526.92	28,920,526.92		28,920,526.92
		25,925,649.02	25,925,649.02	4,478,066.64	21,447,582.38
18,922,682.39			18,922,682.39		18,922,682.39
	15,400.00		[6] 15,400.00	15,400.00	
2,603,531.08			2,603,531.08		2,603,531.08
		624,799.50	624,799.50		624,799.50
	1,162,982.54		1,162,982.54		1,162,982.54
		5,985.80	5,985.80		5,985.80
		17,748,045.88	17,748,045.88		17,748,045.88
	67,620.48		67,620.48		67,620.48
	43,579.09		43,579.09	43,579.09	
		18,250.53	[6] 18,250.53	17,891.00	359.53
496,523,622.26		29,693,537.99	526,217,160.25		[9] 526,217,160.25
	210,790,649.68		210,790,649.68	46,821,425.49	163,969,224.19
[10] 17,375.65			17,375.65		17,375.65
6,750,000.00	494,399.35		7,244,399.35	494,399.35	[11] 6,750,000.00
		21,930.43	21,930.43	21,930.43	
765,037,519.46	297,469,690.78	395,480,063.79	1,457,987,274.03	128,674,645.15	1,329,312,628.88

[9] Includes $28,647,846.90 principal and interest postponed pursuant to agreement.

[10] Agreement provides for repayment of 45,000,000 dinars. In accordance with Treasury Department Circular No. 930 an adjustment of $243,259.15 has been made to show current value of receivable.

[11] Represents amount which is postponed by agreement pending settlement of certain claims.

[12] A real property collection of $1,400,000 previously shown as a U.S. dollar collection has been reclassified as "Other credits".

[13] Represents repayment of 48,763,894.81 fine ounces in silver bullion and the equivalent of 3,058,458.00 fine ounces in U.S. dollars computed at market value at time of payment.

[14] Represents repayment of 1,371,410.28 fine ounces in silver bullion and the equivalent of 19,849,618.42 fine ounces in U.S. dollars computed at market value at time of payment.

TABLE 107.—*Status of accounts under lend-lease and surplus property agreements (World War II) as of June 30, 1963*—Continued

PART II.—LEND-LEASE SILVER ACCOUNTS

Country	Silver loaned		Silver repaid		Balance outstanding
	(In ounces)	(U.S. dollars)	(In ounces)	(U.S. dollars)	(U.S. dollars)
Australia	11,772,730.21	$8,371,719.26	11,772,730.21	$8,371,719.26	
Belgium	261,333.33	185,837.03	261,333.33	185,837.03	
Ethiopia	5,425,000.00	3,857,777.77	5,425,000.00	3,857,777.77	
India	172,542,107.00	122,696,609.42	172,217,297.92	122,465,634.05	[4] $230,975.37
Netherlands	56,737,341.25	40,346,553.77	56,737,341.25	40,346,553.77	
Pakistan	53,457,797.00	[7] 39,357,444.98	[13] 51,822,352.81	38,194,462.44	1,162,982.54
Saudi Arabia	21,316,120.01	[8] 21,372,452.66	[14] 21,221,028.70	21,304,832.18	67,620.48
United Kingdom	88,270,241.84	62,769,949.72	88,270,241.84	62,769,949.72	
Total	409,782,670.64	298,958,344.61	407,727,326.06	297,496,766.22	1,461,578.39

Footnotes at end of Part I.

Corporations and Certain Other Business-Type Activities of the United States Government

TABLE 108.—*Comparative statement of obligations of Government corporations and certain other business-type activities held by the Treasury, June 30, 1953–63*

[Face amount, in millions of dollars. On basis of daily Treasury statements, see "Bases of Tables"]

Agency	1953	1954	1955	1956	1957	1958	1959	1960	1961	1962	1963
Agency for International Development	1,189	1,203	1,209	1,213	1,198	1,188	1,164	1,138	1,107	1,062	807
Commodity Credit Corporation	3,612	4,180	7,608	11,190	13,383	11,528	12,874	12,704	11,534	12,990	[1] 13,604
Export-Import Bank of Washington	1,227	1,347	1,310	1,239	1,205	1,528	1,937	1,636	1,698	1,830	1,476
Federal National Mortgage Association:											
Management and liquidating functions			1,966	1,860	1,716	1,348	1,140	719	1,441	1,323	1,172
Secondary market operations	2,446	2,233	----------	94	3	----------	42	----------	----------	----------	----------
Special assistance functions			(*)	(*)	22	154	1,170	1,619	1,762	1,843	1,544
Housing and Home Finance Administrator:											
College housing loans	20	52	82	116	228	389	594	779	988	1,227	1,532
Prefabricated housing loans program	19	13	----------	----------	----------	----------	----------	----------	----------	----------	----------
Public facility loans	----------	----------	----------	1	1	14	38	48	60	80	113
Urban renewal fund	28	38	48	48	53	73	98	150	165	260	360
Public Housing Administration	655	215	61	38	41	35	27	29	32	32	25
Reconstruction Finance Corporation	159	154	----------	----------	----------	----------	----------	----------	----------	----------	----------
Rural Electrification Administration	1,933	2,091	2,207	2,343	2,519	2,728	2,923	3,155	3,332	3,484	3,657
Saint Lawrence Seaway Development Corporation	----------	----------	3	16	48	97	112	118	121	121	123
Secretary of Agriculture, Farmers Home Administration:											
Rural housing loan program	----------	----------	----------	5	41	31	77	104	154	232	391
Direct loan account	117	172	162	146	212	223	216	229	272	598	598
Agricultural credit insurance fund	----------	----------	----------	(*)	8	2	29	35	29	23	38
Secretary of Commerce, Maritime Administration:											
Federal ship mortgage insurance fund	----------	----------	----------	----------	----------	----------	1	1	1	----------	6
Secretary of the Treasury (Federal Civil Defense Act of 1950)	----------	2	2	2	1	1	1	1	(*)	(*)	(*)
Small Business Administration	----------	----------	11	9	7	----------	----------	----------	----------	----------	----------
Tennessee Valley Authority	34	29	14	----------	----------	----------	----------	----------	----------	----------	50
U.S. Information Agency	----------	----------	----------	----------	13	17	20	19	20	20	21
Veterans' Administration (veterans' direct loan program)	270	367	491	584	733	780	930	1,180	1,330	1,530	1,730
Virgin Islands Corporation	----------	----------	----------	----------	----------	----------	----------	(*)	1	1	1
Defense Production Act of 1950, as amended:											
Defense Materials Procurement Agency	284	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------
Export-Import Bank of Washington	(*)	13	22	29	35	30	25	20	10	----------	----------
General Services Administration	----------	594	794	869	1,019	1,439	1,684	1,715	1,765	1,790	1,804
Reconstruction Finance Corporation	122	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------
Secretary of Agriculture	----------	2	2	47	47	59	59	64	65	65	66
Secretary of the Interior, Defense Minerals Exploration Administration	10	15	18	22	26	30	32	32	32	31	32
Secretary of the Treasury	----------	150	166	177	168	167	151	140	93	91	21
D.C. Commissioners: Stadium sinking fund, Armory Board, D.C.	----------	----------	----------	----------	----------	----------	----------	----------	----------	(*)	1
Total	12,125	12,869	16,175	20,049	22,727	21,859	25,343	25,636	26,011	28,634	[1] 29,172

*Less than $500,000.

[1] Includes $5 million advanced to the Commodity Credit Corporation as of June 30, 1963, after publication of the daily Treasury statement.

TABLE 109.—*Capital stock, notes, bonds, and other obligations of Government agencies held by the Treasury or other Government agencies, June 30, 1962 and 1963, and changes during 1963*

Class of security and issuing agent	Date of authorizing act	Amount owned June 30, 1962	Advances [1]	Repayments and other reductions [1]	Amount owned June 30, 1963
Capital stock of Government corporations:					
Held by the Secretary of the Treasury:					
Export-Import Bank of Washington	June 16, 1933, as amended	$1,000,000,000.00			$1,000,000,000.00
Federal Crop Insurance Corporation	Feb. 16, 1938, as amended	40,000,000.00			40,000,000.00
Federal National Mortgage Association, secondary market operations.	Aug. 2, 1954, as amended	158,820,304.97			158,820,304.97
Inland Waterways Corporation (in liquidation) [2]	June 3, 1924, as amended	12,000,000.00		$4,500,000.00	7,500,000.00
Public Housing Administration	Sept. 1, 1937, as amended	1,000,000.00			1,000,000.00
Held by the Secretary of Agriculture, Commodity Credit Corporation.	June 16, 1933, as amended	100,000,000.00			100,000,000.00
Held by the Governor of Farm Credit Administration:					
Banks for cooperatives	do	106,817,000.00		11,979,500.00	94,837,500.00
Federal intermediate credit banks	July 26, 1956	101,389,120.00	$13,600,000.00		114,989,120.00
Total capital stock		1,520,026,424.97	13,600,000.00	16,479,500.00	1,517,146,924.97
Bonds and notes of Government corporations and other agencies held by the Treasury: [3]					
Agency for International Development	Apr. 3, 1948, as amended, and June 15, 1951.	1,062,242,696.00		254,848,531.81	[4] 807,394,164.19
Commodity Credit Corporation	Mar. 8, 1938, as amended	12,990,000,000.00	5,493,000,000.00	4,879,000,000.00	[5] 13,604,000,000.00
Export-Import Bank of Washington	July 31, 1945, as amended	1,829,500,000.00	557,900,000.00	911,200,000.00	1,476,200,000.00
Federal National Mortgage Association:					
Management and liquidating functions	Aug. 2, 1954, as amended	1,323,360,224.56	120,755,850.46	272,566,075.02	1,171,550,000.00
Secondary market operations	do		585,920,000.00	585,920,000.00	
Special assistance functions	do	1,843,477,366.86	109,634,132.07	408,971,498.93	1,544,140,000.00
Housing and Home Finance Administrator:					
College housing loans	Apr. 20, 1950, as amended	1,227,409,000.00	304,979,000.00		1,532,388,000.00
Public facility loans	Aug. 11, 1955	80,045,400.00	32,683,500.00		112,728,900.00
Urban renewal fund	July 15, 1949, as amended	260,000,000.00	100,000,000.00		360,000,000.00
Public Housing Administration	Sept. 1, 1937, as amended	32,000,000.00	261,000,000.00	268,000,000.00	25,000,000.00
Rural Electrification Administration	May 20, 1936, as amended	3,483,706,857.35	340,000,000.00	167,091,972.17	3,656,614,885.18
Saint Lawrence Seaway Development Corporation	May 13, 1954	121,146,686.06	1,400,000.00		122,546,686.06
Secretary of Agriculture, Farmers Home Administration:					
Rural housing loan program	Aug. 7, 1956, as amended	232,304,255.28	185,000,000.00	26,350,980.97	390,953,274.31
Direct loan account	July 8, 1959, June 29, 1960, and June 30, 1961.	597,959,607.34			597,959,607.34
Agricultural credit insurance fund	Aug. 14, 1946, as amended	23,420,000.00	88,910,000.00	74,585,000.00	37,745,000.00
Secretary of Commerce, Maritime Administration:					
Federal ship mortgage insurance fund	July 15, 1958, as amended		6,000,000.00		6,000,000.00

Secretary of the Treasury (Federal Civil Defense Act of 1950, as amended).	Jan. 12, 1951, as amended	300,000.00		135,000.00	165,000.00
Tennessee Valley Authority	Aug. 6, 1959		50,000,000.00		50,000,000.00
U.S. Information Agency, informational media guaranty fund	Apr. 3, 1948, as amended, and July 18, 1956.	19,958,450.67	1,546,000.00	429,458.00	21,074,992.67
Veterans' Administration (veterans' direct loan program)	Apr. 20, 1950, as amended	1,530,077,996.00	200,000,000.00		1,730,077,996.00
Virgin Islands Corporation	Sept. 2, 1958, as amended	943,900.00	281,100.00		1,225,000.00
Defense Production Act of 1950, as amended:					
General Services Administration	Sept. 8, 1950, as amended	1,789,700,000.00	14,000,000.00		1,803,700,000.00
Secretary of Agriculture	do	64,577,779.63	1,477,236.86		66,055,016.49
Secretary of the Interior (Defense Minerals Exploration Administration).	do	31,000,000.00	1,130,000.00		32,130,000.00
Secretary of the Treasury	do	90,550,000.00	380,000.00	69,780,000.00	21,150,000.00
D.C. Commissioners:					
Stadium sinking fund, Armory Board, D.C	Sept. 7, 1957, as amended	415,800.00	415,800.00		831,600.00
Total bonds and notes		28,634,096,019.75	8,456,412,619.39	7,918,878,516.90	[4,5] 29,171,630,122.24
Obligations of Government agencies held by Government corporations and other agencies:					
Guaranteed obligations:					
Federal Housing Administration debentures held by:					
Housing and Home Finance Agency:					
Federal Housing Administration	June 27, 1934, as amended	6,493,350.00	41,321,700.00		47,815,050.00
Federal National Mortgage Association:					
Management and liquidating functions	Aug. 2, 1954, as amended	84,124,050.00	12,165,000.00	17,056,250.00	79,232,800.00
Secondary market operations	do	38,673,100.00	82,215,000.00	97,638,000.00	23,250,100.00
Special assistance functions	do	37,424,400.00	42,859,400.00	65,304,250.00	14,979,550.00
Office of the Administrator, liquidating programs	June 24, 1954	4,200.00		4,200.00	
Total guaranteed obligations		166,719,100.00	178,561,100.00	180,002,700.00	165,277,500.00
Nonguaranteed obligations:					
Federal home loan bank notes held by:					
Housing and Home Finance Agency:					
Federal National Mortgage Association:					
Secondary market operations	Aug. 2, 1954, as amended		25,270,000.00		25,270,000.00
Federal intermediate credit bank debentures held by:					
Housing and Home Finance Agency:					
Federal National Mortgage Association:					
Secondary market operations	do		34,300,000.00		34,300,000.00
Total nonguaranteed obligations			59,570,000.00		59,570,000.00

[1] Excludes refundings.

[2] The Inland Waterways Corporation Act, as amended (49 U.S.C. 151-157), was repealed by an act approved July 19, 1963 (77 Stat. 81). Liquidation of the Corporation's affairs is being carried on by the Secretary of Commerce.

[3] See also table 111.

[4] Not reduced by $383,198.02 representing excess repayments returned to the Agency for International Development as of June 30, 1963, after publication of the daily Treasury statement.

[5] Includes $5,000,000 advanced to the Commodity Credit Corporation as of June 30, 1963, after publication of the daily Treasury statement.

NOTE.—See table 113 for data on other securities held by agencies representing loans made.

TABLE 110.—*Borrowing authority and outstanding issues of Government corporations and certain other business-type activities whose obligations are issued to the Secretary of the Treasury, June 30, 1963*

[In millions of dollars. On basis of daily Treasury statements]

Corporation or activity [1]	Borrowing authority	Outstanding obligations held by Treasury	Unused borrowing authority
Agency for International Development:			
Mutual defense program—economic assistance	750	750	(*)
Foreign investment guaranty fund	199		199
India emergency food aid	23	23	
Loan to Spain	35	34	(*)
Commodity Credit Corporation	14,500	[2] 13,604	896
Export-Import Bank of Washington	6,000	1,476	4,524
Federal Deposit Insurance Corporation	3,000		3,000
Federal home loan banks	1,000		1,000
Federal National Mortgage Association:			
Management and liquidating functions	1,318	1,172	[3] 146
Secondary market operations	2,250		[4] 2,250
Special assistance functions	3,409	1,544	1,865
Federal Savings and Loan Insurance Corporation	750		750
Housing and Home Finance Administrator:			
College housing loans	2,275	1,532	743
Flood insurance	500		500
Public facility loans	650	113	537
Urban renewal fund	1,000	360	640
Panama Canal Company	10		10
Public Housing Administration	1,500	25	1,475
Rural Electrification Administration	4,703	3,657	1,046
Saint Lawrence Seaway Development Corporation	140	123	17
Secretary of Agriculture, Farmers Home Administration:			
Rural housing loan program	589	391	198
Direct loan account	598	598	
Agricultural credit insurance fund	[5] 39	38	1
Secretary of Commerce:			
Area Redevelopment Administration, area redevelopment fund	300		300
Maritime Admin., Federal ship mortgage insurance fund	[6] 6	6	
Secretary of the Interior, Bureau of Mines:			
Development and operation of helium properties	16		16
Secretary of the Treasury (Federal Civil Defense Act of 1950, as amended)	250	(*)	250
Tennessee Valley Authority	[7] 150	50	100
U.S. Information Agency, informational media guaranty fund	28	21	7
Veterans' Administration (veterans' direct loan program)	2,011	1,730	281
Virgin Islands Corporation	1	1	(*)
Defense Production Act of 1950, as amended:			
General Services Administration	1,854	1,804	50
Secretary of Agriculture	80	66	14
Secretary of the Interior, Defense Minerals Exploration Admin.	36	32	4
Secretary of the Treasury	27	21	6
Unallocated	103		103
D.C. Commissioners, stadium sinking fund, Armory Board, D.C.	[8] 1	1	
Total	50,100	[2] 29,172	20,928

*Less than $500,000.

[1] Excludes authorizations to borrow from the public; also excludes authorizations to expend from public debt receipts for subscriptions to capital stock of the following agencies: International Bank for Reconstruction and Development, $6,350 million; International Monetary Fund, $2,325 million; International Finance Corporation, $35 million; and certain Government corporations, $1,135 million. In addition, the authorized credit to the United Kingdom, of which $3,205 million is outstanding, has been excluded.

[2] Includes $5 million borrowed by the Commodity Credit Corporation as of June 30, 1963, after publication of the daily Treasury statement.

[3] Transferred to the special assistance functions fund as of July 1, 1963, in accordance with an act approved June 30, 1961 (12 U.S.C. 1721(f)).

[4] The balance shown represents unused portion of authorization to expend from public debt receipts available for loans to the secondary market operations fund without further action by Congress. Because of the borrowing and capital structure of the fund, the maximum it could borrow from the Treasury without adjusting its other borrowing or its capital structure as of June 30, 1963, would be as follows:

Borrowing authorized (10 times capital plus surplus)	$3,108,779,448
Obligations outstanding	−1,960,612,000
Unused balance of borrowing authorized	1,148,167,448

[5] Represents amount due Treasury and net amount obligated in excess of amount borrowed. Authority to borrow from the Treasury is indefinite in amount. Funds may be borrowed as needed to carry out provisions of an act approved Aug. 8, 1961 (7 U.S.C. 1929(c)).

[6] Authority to borrow from the Treasury is indefinite in amount. Funds may be borrowed as needed to purchase insured defaulted mortgages as provided by an act approved July 15, 1958 (46 U.S.C. 1275(b)).

[7] Represents amount of interim obligations outstanding which may be issued to the Secretary of the Treasury under specified conditions as provided by an act approved Aug. 6, 1959 (16 U.S.C. 831n-4(c)).

[8] Funds may be borrowed from the Secretary of the Treasury under certain conditions as provided by an act approved July 28, 1958 (2 D.C. Code 1727).

TABLE 111.—*Description of obligations of Government corporations and certain other business-type activities held by the Treasury, June 30, 1963*

[On basis of daily Treasury statements, see "Bases of Tables"]

Title and authorizing act	Date of issue	Date payable [1]	Rate of interest	Principal amount
Agency for International Development:				
Act of Apr. 3, 1948, as amended:			*Percent*	
Note of Administrator (E.C.A.)	May 26, 1951	June 30, 1977	1⅞	[2] $34,149,620.94
Notes of Administrator (E.C.A.)	Various dates	June 30, 1984	1⅞	[3] 749,865,832.64
Act of June 15, 1951:				
Notes of Director (M.S.A.)	Feb. 6, 1952	Dec. 31, 1986	2	22,995,512.59
Total				807,010,966.17
Commodity Credit Corporation, act of Mar. 8, 1938, as amended:				
Notes, Series Fifteen—1963	Various dates	Extended to July 31, 1963.	3	13,017,000,000.00
Notes, Series Fifteen—1963	do	do	3⅛	[4] 582,000,000.00
Total				13,599,000,000.00
Export-Import Bank of Washington, act of July 31, 1945, as amended:				
Notes, Series 1965	Various dates	Various dates	2⅝	191,500,000.00
Notes, Series 1965	do	June 30, 1965	2¾	48,900,000.00
Notes, Series 1965	do	Various dates	2⅞	194,600,000.00
Notes, Series 1965	do	June 30, 1965	3⅛	44,000,000.00
Notes, Series 1965	do	Dec. 31, 1965	3⅜	26,400,000.00
Notes, Series 1968	do	June 30, 1968	3½	76,100,000.00
Notes, Series 1968 and 1970	do	Various dates	3⅝	134,300,000.00
Note, Series 1970	Apr. 1, 1963	June 30, 1970	3¾	20,900,000.00
Note, Series 1977	June 30, 1959	June 30, 1977	2⅜	288,400,000.00
Notes, Series 1968 and 1977	Dec. 31, 1961	Various dates	3	451,100,000.00
Total				1,476,200,000.00
Federal National Mortgage Association, act of Aug. 2, 1954, as amended:				
Management and liquidating functions:				
Notes, Series C	Various dates	Various dates	3½	594,960,000.00
Note	Jan. 11, 1960	Jan. 11, 1965	4	103,200,000.00
Note, Series C	June 1, 1961	July 1, 1965	3⅜	9,020,000.00
Notes, Series C	Various dates	July 1, 1967	3⅝	464,370,000.00
Subtotal				1,171,550,000.00
Special assistance functions:				
Note, Series D	July 1, 1958	July 1, 1963	2⅜	8,575,000.00
Note, Series D	Aug. 1, 1958	do	2¾	13,519,000.00
Note, Series D	Sept. 2, 1958	do	3¼	28,232,000.00
Notes, Series D	Various dates	Various dates	3½	113,020,000.00
Notes, Series D	do	do	3⅝	438,941,000.00
Notes, Series D	do	do	3¾	225,947,000.00
Notes, Series D	do	do	3⅞	500,058,000.00
Notes, Series D	do	do	4	150,034,000.00
Note, Series D	June 1, 1959	July 1, 1963	4¼	29,614,000.00
Note, Series D	June 1, 1961	July 1, 1965	3⅜	3,100,000.00
Note, Series D, subseries BMR	Mar. 28, 1962	July 1, 1966	3⅛	33,100,000.00
Subtotal				1,544,140,000.00
Total Federal National Mortgage Association				2,715,690,000.00
Housing and Home Finance Administrator:				
College housing loans, act of Apr. 20, 1950, as amended:				
Note, Series CH	Jan. 22, 1963	July 1, 1976	2½	321,375,000.00
Note, Series CH	do	July 1, 1977	2¾	208,643,000.00
Note, Series CH	do	July 1, 1978	2⅝	306,971,000.00
Note, Series CH	do	July 1, 1980	2⅞	270,026,000.00
Note, Series CH	do	do	3¼	324,363,000.00
Note, Series CH	do	July 1, 1981	3⅛	101,010,000.00
Subtotal				1,532,388,000.00

Footnotes at end of table.

TABLE 111.—*Description of obligations of Government corporations and certain other business-type activities held by the Treasury, June 30, 1963*—Continued

Title and authorizing act	Date of issue	Date payable [1]	Rate of interest	Principal amount
Housing and Home Finance Administrator—Continued				
Public facility loans, act of Aug. 11, 1955:			Percent	
Note, Series PF	Nov. 30, 1961	July 31, 1973	3⁹⁄₁₀	$71,710,400.00
Notes, Series PF	Various dates	July 1, 1976	3⅛	40,518,500.00
Note, Series PF	Oct. 3, 1962	July 1, 1977	3¼	500,000.00
Subtotal				112,728,900.00
Urban renewal fund, act of July 15, 1949, as amended:				
Note	Dec. 31, 1958	Dec. 31, 1963	3	60,000,000.00
Notes	Various dates	Various dates	3⅝	50,000,000.00
Notes	do	do	3¾	85,000,000.00
Note	June 30, 1959	Dec. 31, 1964	4¼	30,000,000.00
Note	Dec. 31, 1959	June 30, 1965	4⅝	40,000,000.00
Note	June 30, 1960	Dec. 31, 1965	4⅜	25,000,000.00
Note	June 30, 1961	Dec. 31, 1966	3⅜	40,000,000.00
Note	Dec. 31, 1962	June 30, 1968	3½	30,000,000.00
Subtotal				360,000,000.00
Total Housing and Home Finance Administrator				2,005,116,900.00
Public Housing Administration, act of Sept. 1, 1937, as amended:				
Note	Aug. 7, 1961	On demand	3⅛	25,000,000.00
Rural Electrification Administration, act of May 20, 1936, as amended:				
Notes of Administrator	Various dates	Various dates	2	3,656,614,885.18
St. Lawrence Seaway Development Corp., act of May 13, 1954, as amended:				
Revenue bond	Nov. 26, 1954	Dec. 31, 1963	2⅜	946,686.06
Revenue bonds	Various dates	Dec. 31, 1964	2½	800,000.00
Revenue bonds	do	Various dates	2⅝	700,000.00
Revenue bonds	do	Dec. 31, 1966	2¾	900,000.00
Revenue bonds	do	Various dates	2⅞	5,100,000.00
Revenue bonds	do	do	3	7,800,000.00
Revenue bonds	do	do	3⅛	8,200,000.00
Revenue bonds	do	do	3¼	24,600,000.00
Revenue bonds	do	do	3⅜	15,900,000.00
Revenue bonds	do	do	3½	9,900,000.00
Revenue bonds	do	do	3⅝	31,100,000.00
Revenue bonds	do	do	3¾	4,600,000.00
Revenue bonds	do	do	3⅞	2,500,000.00
Revenue bonds	do	do	4	6,600,000.00
Revenue bonds	do	do	4⅛	2,300,000.00
Revenue bonds	do	Dec. 31, 2003	4¼	600,000.00
Total				122,546,686.06
Secretary of Agriculture, Farmers Home Administration:				
Rural housing loan program, act of Aug. 7, 1956, as amended:				
Notes	Various dates	Various dates	3¾	20,500,000.00
Notes	do	do	3⅞	149,250,000.00
Notes	do	do	4	160,000,000.00
Notes	do	do	4⅛	61,203,274.31
Subtotal				390,953,274.31
Direct loan account, acts of July 8, 1959, June 29, 1960, and June 30, 1961:				
Notes	Various dates	Various dates	3	552,459,607.34
Note	Feb. 21, 1962	June 30, 1966	3⅞	37,500,000.00
Note	May 28, 1962	do	3⅝	8,000,000.00
Subtotal				597,959,607.34

Footnotes at end of table.

TABLE 111.—*Description of obligations of Government corporations and certain other business-type activities held by the Treasury, June 30, 1963*—Continued

Title and authorizing act	Date of issue	Date payable [1]	Rate of interest	Principal amount
Secretary of Agriculture, Farmers Home Administration—Con.				
Agricultural credit insurance fund, act of Aug. 14, 1946, as amended:			*Percent*	
Notes	Various dates	June 30, 1965	3⅜	$3,825,000.00
Notes	do	June 30, 1967	3½	27,135,000.00
Notes	do	do	3⅝	6,785,000.00
Subtotal				37,745,000.00
Total Secretary of Agriculture				1,026,657,881.65
Secretary of Commerce, Maritime Administration:				
Federal ship mortgage insurance fund, act of July 15, 1958:				
Note	Mar. 18, 1963	Mar. 18, 1968	3⅝	6,000,000.00
Secretary of the Treasury, Federal Civil Defense Act of 1950, as amended:				
Note, Series FCD	July 1, 1959	July 1, 1964	4⅜	165,000.00
Tennessee Valley Authority, act of Aug. 6, 1959:				
Advances	Various dates	Various dates	3⅛	50,000,000.00
U.S. Information Agency:				
Informational media guaranty fund, act of Apr. 3, 1948, as amended:				
Note of Administrator (E.C.A.)	Oct. 27, 1948	June 30, 1986	1⅞	1,410,000.00
Note of Administrator (E.C.A.)	do	do	2	1,305,000.00
Note of Administrator (E.C.A.)	do	do	2⅛	2,272,610.67
Note of Administrator (E.C.A.)	Jan. 24, 1949	do	2½	775,000.00
Note of Administrator (E.C.A.)	do	do	2⅝	75,000.00
Note of Administrator (E.C.A.)	do	do	2¾	302,389.33
Note of Administrator (E.C.A.)	do	do	2⅞	1,865,000.00
Note of Administrator (E.C.A.)	do	do	3	1,100,000.00
Note of Administrator (E.C.A.)	do	do	3⅛	510,000.00
Note of Administrator (E.C.A.)	do	do	3¼	3,431,548.00
Note of Administrator (E.C.A.)	do	do	3⅜	495,000.00
Note of Administrator (E.C.A.)	do	do	3⅝	220,000.00
Note of Administrator (E.C.A.)	do	do	3¾	2,625,960.00
Notes of Administrator (E.C.A.)	Various dates	Various dates	3⅞	3,451,000.00
Notes of Administrator (E.C.A.)	do	do	4	1,236,484.67
Total				21,074,992.67
Veterans' Administration (veterans' direct loan program), act of Apr. 20, 1950, as amended:				
Agreements	Various dates	Indefinite	2½	88,342,741.00
Agreements	do	do	2¾	53,032,393.00
Agreements	do	do	2⅞	102,845,334.00
Agreements	do	do	3	118,763,868.00
Agreements	do	do	3¼	316,858,465.00
Agreements	Dec. 31, 1956	do	3⅜	49,736,333.00
Agreement	June 28, 1957	do	3½	49,838,707.00
Agreement	Apr. 7, 1958	do	3⅛	49,571,200.00
Agreement	Oct. 6, 1958	do	3⅝	48,855,090.00
Agreements	Various dates	do	3¾	99,889,310.00
Agreements	do	do	3⅞	392,344,555.00
Agreements	do	do	4¼	109,387,321.00
Agreements	do	do	4½	99,909,137.93
Agreement	Feb. 5, 1960	do	4⅝	20,000,000.00
Agreement	Apr. 1, 1960	do	4⅛	20,703,541.07
Agreement	July 19, 1960	do	4	110,000,000.00
Total				1,730,077,996.00
Virgin Islands Corporation, act of Sept. 2, 1958, as amended:				
Notes	Various dates	Various dates	3¾	450,000.00
Notes	do	do	3⅞	110,000.00
Notes	do	do	4	631,100.00
Note	Sept. 30, 1959	Sept. 30, 1979	4⅛	10,000.00
Note	Oct. 15, 1959	Oct. 15, 1979	4⅜	500.00
Note	Feb. 24, 1960	Feb. 24, 1980	4½	23,400.00
Total				1,225,000.00

Footnotes at end of table.

TABLE 111.—*Description of obligations of Government corporations and certain other business-type activities held by the Treasury, June 30, 1963*—Continued

Title and authorizing act	Date of issue	Date payable [1]	Rate of interest	Principal amount
Defense Production Act of 1950, as amended:				
General Services Administration:			Percent	
Notes of Administrator, Series D	Various dates	Various dates	2⅜	$75,000,000.00
Notes of Administrator, Series D	do	do	2¾	50,000,000.00
Notes of Administrator, Series D	do	do	3½	155,000,000.00
Notes of Administrator, Series D	do	do	3⅝	479,000,000.00
Notes of Administrator, Series D	do	do	3¾	120,000,000.00
Notes of Administrator, Series D	do	do	3⅞	170,000,000.00
Notes of Administrator, Series D	do	do	4	165,000,000.00
Note of Administrator, Series D	June 1, 1959	June 1, 1964	4¼	85,000,000.00
Notes of Administrator, Series D	Various dates	Various dates	4⅜	383,700,000.00
Notes of Administrator, Series D	do	do	4½	30,000,000.00
Note of Administrator, Series D	Oct. 21, 1959	Oct. 21, 1964	4¾	8,000,000.00
Notes of Administrator, Series D	Various dates	Various dates	4⅝	53,000,000.00
Notes of Administrator, Series D	do	do	4⅞	30,000,000.00
Subtotal				1,803,700,000.00
Secretary of Agriculture:				
Note	July 1, 1958	July 1, 1963	2⅜	2,258,000.00
Notes	Various dates	Various dates	3⅝	13,590,016.49
Note	July 1, 1959	July 1, 1964	4⅜	50,145,000.00
Note	July 1, 1960	July 1, 1965	4	62,000.00
Subtotal				66,055,016.49
Secretary of the Interior, Defense Minerals Exploration Administration:				
Note	Feb. 18, 1955	July 1, 1964	3⅜	1,000,000.00
Note	Apr. 29, 1955	do	2½	1,000,000.00
Notes	Various dates	Various dates	2⅞	6,000,000.00
Note	Aug. 31, 1956	July 1, 1966	3	1,000,000.00
Notes	Various dates	Various dates	3¼	18,130,000.00
Note	Jan. 30, 1957	July 1, 1966	3½	1,000,000.00
Note	Apr. 22, 1957	do	3⅜	1,000,000.00
Note	Aug. 12, 1957	July 1, 1967	3⅞	1,000,000.00
Note	Oct. 11, 1957	do	3¾	1,000,000.00
Note	Jan. 17, 1958	do	3⅛	1,000,000.00
Subtotal				32,130,000.00
Secretary of the Treasury:				
Note, Series TDP	Dec. 1, 1960	July 1, 1965	3¾	5,050,000.00
Note, Series TDP	Dec. 1, 1962	July 1, 1967	3½	16,100,000.00
Subtotal				21,150,000.00
Total Defense Production Act of 1950, as amended				1,923,035,016.49
District of Columbia Commissioners: Stadium sinking fund, Armory Board, D.C., act of Sept. 7, 1957, as amended:				
Note	June 1, 1962	When funds are available.	3	415,800.00
Note	May 31, 1963	do	3⅛	415,800.00
Total				831,600.00
Total obligations [5]				29,166,246,924.22

[1] Obligations may be redeemed at any time.
[2] Reduced by $328,656.65 representing excess repayments returned to the Agency as of June 30, 1963, after publication of the daily Treasury statement.
[3] Reduced by $54,541.37 representing excess repayments returned to the Agency as of June 30, 1963, after publication of the daily Treasury statement.
[4] Does not include $5,000,000 advanced to the Corporation in July 1963, effective as of June 30, 1963, after publication of the daily Treasury statement.
[5] These obligations were issued to the Treasury in exchange for advances by the Treasury from public debt receipts under congressional authorization for specified Government corporations and other business-type activities to borrow from the Treasury.

TABLE 112.—*Summary statements of financial condition of Government corporations and certain other business-type activities, June 30, 1963*

[In thousands of dollars. On basis of reports received from activities]

Account	Administrative budget funds: Public enterprise revolving funds	Administrative budget funds: Intragovernmental revolving funds	Administrative budget funds: General and special funds	Trust funds: Trust revolving funds	Trust funds: Government-sponsored enterprises
ASSETS					
Cash in banks, on hand, and in transit	189,154	2,364	2,244	2	153,628
Fund balances with the U.S. Treasury [1]	5,577,568	2,287,137	3,249,962	181,373	29,687
Investments:					
Public debt securities (par value)	1,688,250	-----	5,287	434,667	4,852,798
Securities of Government enterprises	142,027	-----	-----	23,250	-----
Unamortized premium, or discount (−)	−9,914	-----	-----	−6,659	−20,464
Other securities	255,977	-----	5,401,013	59,570	-----
Advances to contractors and agents:					
Government agencies	3,739	310	4,367	1	-----
Other	4,267	46,223	11,019	-----	-----
Accounts and notes receivable:					
Government agencies	1,094,246	667,863	207,934	54,596	5
Other (net)	364,376	84,852	2,128,121	18,827	1,460
Inventories	6,297,235	7,050,302	7,123,040	444	60
Allowance for losses (−)	−1,143,329	−148	-----	-----	-----
Accrued interest receivable:					
On public debt securities	9,787	-----	17	2,976	29,765
On securities of Government enterprises	2,820	-----	580,661	446	-----
Other	155,469	-----	440,910	11,864	53,925
Loans receivable:					
Government agencies	58,000	-----	3,210	-----	250
Other: U.S. dollar loans	15,936,688	-----	9,620,220	2,162,013	6,265,629
Foreign currency loans	967,018	-----	2,707,790	-----	-----
Allowance for losses (−)	−706,982	-----	−12,012	−68,292	−9,262
Acquired security or collateral (net)	916,180	-----	91	8,656	63
Land, structures, and equipment	5,280,226	550,023	7,547,476	818	9,687
Accumulated depreciation (−)	−1,578,236	−245,201	−3,490,442	−211	−1,410
Foreign currencies	1,871	-----	837,806	478	-----
Other assets (net)	1,083,698	56,669	1,423,373	57,133	9,655
Total assets	[2]36,590,134	10,500,395	[2]37,792,086	2,941,950	11,375,475
LIABILITIES					
Accounts payable:					
Government agencies	93,611	182,043	72,299	2	5,131
Other	482,614	385,202	318,114	55,672	1,624
Accrued liabilities:					
Government agencies	591,014	884	9,436	2,115	5
Other	253,284	116,910	147,946	22,219	57,441
Advances from:					
Government agencies	934	1,164,810	17,844	-----	-----
Other	1,832	10,971	18	-----	-----
Trust and deposit liabilities:					
Government agencies	43,350	3,238	40,097	-----	150
Other	138,348	219	23,140	23,489	1,326,106
Bonds, debentures, and notes payable:					
Government agencies	165,278	-----	-----	-----	59,820
Other: Guaranteed by the United States	421,533	-----	-----	-----	-----
Not guaranteed by the United States	145,015	-----	-----	1,960,612	5,352,545
Other liabilities (including reserves)	2,366,243	332,227	116,699	29,816	210,147
Total liabilities	4,703,055	2,196,506	745,593	2,093,926	7,012,969

Footnotes at end of table.

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TABLE 112.—*Summary statements of financial condition of Government corporations and certain other business-type activities, June 30, 1963*—Continued

[In thousands of dollars]

Account	Administrative budget funds			Trust funds	
	Public enterprise revolving funds	Intragovernmental revolving funds	General and special funds	Trust revolving funds	Government-sponsored enterprises
NET INVESTMENT					
U.S. interest:					
Interest-bearing investment:					
Capital stock	100,000				
Borrowings from the U.S. Treasury	24,315,836		4,854,962		
Other	1,158,952				
Noninterest-bearing investment:					
Capital stock	1,048,500			158,820	209,827
Appropriations	12,221,548	−2,471,440	23,288,248		
Capitalization of assets (net)	1,421,367	9,791,012	2,920,776		
Other	1,411,405	4,705,310	11,227,178		
Accumulated net income, or deficit (−)	−9,659,348	−3,720,993	−2,857,939	38,203	2,674,445
Deposits of general and special fund revenues (−)	−131,182		−2,386,732		
Total U.S. interest	31,887,079	8,303,889	37,046,493	197,024	2,884,271
Trust and private interest:					
Principal of fund				179,050	
Capital stock				90,319	1,266,787
Capitalization of assets (net)				419	
Accumulated net income, or deficit (−)				381,212	211,447
Total trust and private interest				651,000	1,478,234
Total liabilities and investment	36,590,134	10,500,395	37,792,086	2,941,950	11,375,475

[1] Consist mainly of unexpended balances of general, special, and revolving fund accounts against which checks may be drawn to pay proper charges under these funds. The funds are considered assets of the agencies, but not of the U.S. Government since funds must be provided out of cash balances of the Treasurer of the United States and future receipts to take care of checks to be issued against the balances.

[2] Includes foreign currency assets, representing loans and other receivables recoverable in foreign currencies in U.S. depositaries, aggregating $4,565 million in dollar equivalent. These currencies, acquired primarily without dollar payments, were generated under various Government programs, but principally the Agricultural Trade Development and Assistance Act of 1954, as amended, and the Mutual Security Acts, as amended. Dollar equivalents are computed for reporting purposes to provide a common denominator for the currencies of the many countries involved. Foreign currencies on hand and on deposit and loans under section 104(e) of the Agricultural Trade Development and Assistance Act of 1954, as amended, are stated at the rates as of June 30, 1963, at which the United States could purchase currencies on the market for regular operating purposes. Other loans are stated at the rates at which they are to be repaid or at rates in effect when the loans were extended. Currencies that are dollar denominated or guaranteed as to rate of exchange are stated at rates specified in the agreements.

NOTE.—Business-type activities reporting pursuant to Department Circular No. 966, issued Jan. 30, 1956. Statements of financial condition by type of fund, department, and agency are published quarterly in the monthly *Treasury Bulletin.*

TABLE 113.—*Statement of loans outstanding of Government corporations and certain other business-type activities, June 30, 1963*

[In thousands of dollars]

Type of loan and lending agency [1]	U.S. dollar loans: Total	U.S. dollar loans: Public enterprise revolving funds	U.S. dollar loans: Certain other activities	Foreign currency loans [2]
TO AID AGRICULTURE				
Loans to cooperative associations:				
Farmers Home Administration:				
Direct loan account	19,448	19,448	-----	-----
Rural Electrification Administration	3,693,735	-----	3,693,735	-----
Crop, livestock, and commodity loans:				
Commodity Credit Corporation	[3] 2,530,629	[3] 2,530,629	-----	-----
Farmers Home Administration:				
Direct loan account	1,997	1,997	-----	-----
Emergency credit revolving fund	91,111	91,111	-----	-----
Virgin Islands Corporation	2	2	-----	-----
Storage facility and equipment loans:				
Commodity Credit Corporation	71,208	71,208	-----	-----
Farm mortgage loans:				
Farmers Home Administration:				
Agricultural credit insurance fund	47,334	47,334	-----	-----
Direct loan account	295,853	295,853	-----	-----
Rural housing and other loans	475,900	-----	475,900	-----
Other loans:				
Farmers Home Administration:				
Direct loan account	619,735	619,735	-----	-----
Rural housing and other loans	7,071	-----	7,071	-----
Total to aid agriculture	7,854,022	3,677,316	4,176,706	-----
TO AID HOMEOWNERS				
Mortgage loans:				
Federal Housing Administration	348,670	348,670	-----	-----
Federal National Mortgage Association:				
Management and liquidating functions	1,270,618	1,270,618	-----	-----
Special assistance functions	1,612,153	1,612,153	-----	-----
Federal Savings and Loan Insurance Corporation	46,650	46,650	-----	-----
Housing and Home Finance Administrator:				
Community disposal operations fund	3,723	3,723	-----	-----
Interior Department:				
Bureau of Indian Affairs:				
Liquidation of Hoonah housing project	163	163	-----	-----
Public Housing Administration	295	295	-----	-----
Veterans' Administration:				
Direct loans to veterans and reserves	1,261,041	1,261,041	-----	-----
Loan guaranty revolving fund	4,376	4,376	-----	-----
Other loans:				
Veterans' Administration:				
Direct loans to veterans and reserves	14,375	14,375	-----	-----
Loan guaranty revolving fund	350,141	350,141	-----	-----
Total to aid homeowners	4,912,205	4,912,205	-----	-----
TO AID INDUSTRY				
Loans to railroads:				
Expansion of defense production:				
Treasury Department	12,259	12,259	-----	-----
Other purposes:				
Interstate Commerce Commission	14,676	-----	14,676	-----
Treasury Department:				
Reconstruction Finance Corporation liquidation fund	5,175	5,175	-----	-----
Ship mortgage loans:				
Commerce Department:				
Federal ship mortgage insurance fund	15,256	15,256	-----	-----
Maritime Administration	105,354	-----	105,354	-----
Other loans:				
Expansion of defense production:				
Interior Department	10,911	10,911	-----	-----
Treasury Department	40,781	40,781	-----	-----
Defense production guarantees:				
Air Force Department	4,897	4,897	-----	-----
Army Department	2,340	2,340	-----	-----
Navy Department	5,007	5,007	-----	-----

Footnotes at end of table.

TABLE 113.—*Statement of loans outstanding of Government corporations and certain other business-type activities, June 30, 1963*—Continued

[In thousands of dollars]

Type of loan and lending agency [1]	U.S. dollar loans			Foreign currency loans [2]
	Total	Public enterprise revolving funds	Certain other activities	
TO AID INDUSTRY—Continued				
Other loans—Continued				
Other purposes:				
Commerce Department:				
Area Redevelopment Administration:				
Area redevelopment fund	22,655	22,655	-------	-------
Federal ship mortgage insurance fund	483	483	-------	-------
Inland Waterways Corporation (in liquidation)	3,750	3,750	-------	-------
General Services Administration:				
Reconstruction Finance Corporation liquidation fund	558	558	-------	-------
Housing and Home Finance Administrator:				
Liquidating programs	4,183	4,183	-------	-------
Interior Department:				
Bureau of Commercial Fisheries:				
Fisheries loan fund	6,119	6,119	-------	-------
Office of Minerals Exploration	729	-------	729	-------
Small Business Administration:				
Revolving fund (lending operations)	645,189	645,189	-------	-------
Treasury Department:				
Civil defense loans	583	583	-------	-------
Reconstruction Finance Corporation liquidation fund	2,056	2,056	-------	-------
Total to aid industry	902,961	782,202	120,759	-------
TO AID EDUCATION				
Health, Education, and Welfare Department:				
Loans to institutions and nonprofit schools	4,066	-------	4,066	-------
Loans to students in institutions of higher education	291,454	-------	291,454	-------
Loans to students (World War II)	19	-------	19	-------
Housing and Home Finance Administrator:				
College housing loans	1,475,845	1,475,845	-------	-------
Total to aid education	1,771,384	1,475,845	295,539	-------
TO AID STATES, TERRITORIES, ETC.				
Commerce Department:				
Area Redevelopment Administration:				
Area redevelopment fund	2,244	2,244	-------	-------
General Services Administration:				
Public Works Administration (in liquidation)	60,918	-------	60,918	-------
Health, Education, and Welfare Department:				
Public Health Service	4,100	-------	4,100	-------
Housing and Home Finance Administrator:				
Public facility loans	104,353	104,353	-------	-------
Liquidating programs	7,918	7,918	-------	-------
Urban renewal fund	129,471	129,471	-------	-------
Interior Department:				
Bureau of Reclamation	66,743	-------	66,743	-------
Office of Territories:				
Alaska public works	17,221	-------	17,221	-------
National Capital Planning Commission	1,208	-------	1,208	-------
Public Housing Administration	93,065	93,065	-------	-------
Treasury Department:				
Miscellaneous loans and certain other assets	104,194	-------	104,194	-------
Total to aid States, Territories, etc	591,434	337,051	254,384	-------
FOREIGN LOANS				
Military assistance credit sales:				
Defense Department:				
Air Force Department	5,807	-------	5,807	-------
Army Department	66,288	-------	66,288	-------
Navy Department	113,045	-------	113,045	-------
Other purposes:				
Agency for International Development:				
Alliance for Progress, development loans	191,080	191,080	-------	-------
Development loans	412,406	412,406	-------	-------
Development loan fund liquidation account	197,965	197,965	-------	967,018

Footnotes at end of table.

TABLE 113.—*Statement of loans outstanding of Government corporations and certain other business-type activities, June 30, 1963*—Continued

[In thousands of dollars]

Type of loan and lending agency [1]	U.S. dollar loans			Foreign currency loans [2]
	Total	Public enterprise revolving funds	Certain other activities	
FOREIGN LOANS—Continued				
Other purposes—Continued				
Agency for International Development—Con.				
Loans to U.S. firms and domestic or foreign firms in foreign countries				78,539
All other loans	1,646,710		1,646,710	2,629,250
Commerce Department:				
Maritime Administration	5,115		5,115	
Export-Import Bank of Washington:				
Regular lending activities	[4] 3,815,636	[4] 3,815,636		
Treasury Department:				
Miscellaneous loans and certain other assets	3,210,713		3,210,713	
Total foreign loans	9,664,765	4,617,087	5,047,678	3,674,807
OTHER LOANS				
General Services Administration:				
Surplus property credit sales and liquidation activities	93,370		93,370	
Housing and Home Finance Administrator:				
Housing for the elderly	23,232	23,232		
Liquidating programs	7,102	7,102		
Interior Department:				
Bureau of Indian Affairs:				
Loans for Indian assistance	15		15	
Revolving fund for loans	17,601	17,601		
Office of Territories:				
Loans to private trading enterprises	184	184		
Public Housing Administration	411	411		
Small Business Administration:				
Revolving fund (lending operations)	81,041	81,041		
State Department:				
Loans to United Nations	112,720		112,720	
Emergency loans to individuals	540		540	
Treasury Department:				
Federal Farm Mortgage Corporation liquidation fund	724	724		
Miscellaneous loans and certain other assets	85		85	
Veterans' Administration:				
Insurance appropriations policy loans	841		841	
Service-disabled veterans' insurance fund	2,750	2,750		
Soldiers' and sailors' civil relief	39	39		
Veterans' special term insurance fund	1,830	1,830		
Vocational rehabilitation revolving fund	67	67		
Total other loans	342,554	134,983	207,571	
Total loans [5]	[6] 26,039,324	15,936,688	[7] 10,102,636	3,674,807

[1] Includes purchase money mortgages, mortgages purchased from insured lending institutions to prevent default, and similar long-term paper held by the agencies. Prior to June 30, 1960, these assets had been classified as accounts and notes receivable or other assets. This table excludes interagency loans and those made by deposit and trust revolving funds.

[2] The dollar equivalents of these loans are computed for reporting purposes at varying rates. Where the loan agreements stipulate a dollar denominated figure, the loans outstanding are generally valued at the agreement rates of exchange. Loans executed in units of foreign currency are valued at the market rates (i.e., the rates of exchange at which the Treasury sells such currencies to Government agencies).

[3] Certificates of interest in the amount of $834,134,000, issued against certain of these loans, were outstanding as of June 30, 1963.

[4] Participation certificates in the amount of $520 million, issued against certain of these loans, were outstanding as of June 30, 1963.

[5] Excludes World War I funded and unfunded indebtedness of foreign governments, and World War II indebtedness of foreign governments involving lend-lease articles, surplus property sales agreements, and certain other credit shown in table 106.

[6] Does not include foreign currency loans.

[7] Includes loans in the amount of $482,416,000 excluded from table 112.

NOTE.—The *Treasury Bulletin* for November 1963 contained this table on pp. 136–138, and also, on pp. 139–140, a table by years beginning with 1950 showing loans outstanding including those by deposit and trust revolving funds. Statistical statements of financial condition by agencies as of June 30, 1963, were published in the *Treasury Bulletin* for November 1963. Statements of income and expense, and source and application of funds by agencies as of June 30, 1963, were published in the *Treasury Bulletin* for December 1963.

TABLE 114.—*Dividends, interest, and similar earnings received by the Treasury from Government corporations and certain other business-type activities, fiscal years 1962 and 1963*

Agency and nature of earnings	Amounts 1962	Amounts 1963
Agency for International Development, interest on borrowings	$18,914,551.91	$14,940,232.81
Civil Service Commission, investigations, earnings	1,639.91	7,024.70
Commerce Department:		
National Bureau of Standards, working capital fund, earnings	39,171.52	337,028.74
Maritime Administration, Federal ship mortgage insurance fund, interest on borrowings	9,139.95	----------
Commodity Credit Corporation:		
Interest on capital stock	3,125,000.00	3,250,000.00
Interest on borrowings	326,458,958.01	183,134,216.40
Defense Department:		
Navy Department, defense housing, profits	29,018.50	----------
Export-Import Bank of Washington:		
Regular activities:		
Dividends	30,000,000.00	35,000,000.00
Interest on borrowings	56,757,420.53	51,134,398.54
Farm Credit Administration:		
Banks for cooperatives, franchise tax	2,356,664.49	2,250,387.20
Federal Farm Mortgage Corporation,[1] dividends	800,000.00	----------
Federal intermediate credit banks, franchise tax	2,492,079.64	2,376,051.33
Farmers Home Administration:		
Rural housing loan program, interest on borrowings	7,300,340.69	12,607,724.73
Direct loan account, interest on borrowings	8,999,852.64	10,708,933.47
Agricultural credit insurance fund, interest on borrowings	923,214.92	997,574.83
Federal National Mortgage Association:		
Management and liquidating functions:		
Earnings	40,000,000.00	25,000,000.00
Interest on borrowings	43,850,589.30	44,089,115.94
Secondary market operations:		
Dividends	3,639,600.00	3,606,965.23
Interest on borrowings	1,204,563.62	1,175,386.81
Special assistance functions, interest on borrowings	70,245,342.77	74,189,402.43
Federal Prison Industries, Inc., earnings	4,000,000.00	4,000,000.00
General Services Administration:		
Buildings management fund, earnings	----------	1,155,394.45
Defense production guarantees, earnings	----------	6,265,400.77
General supply fund, earnings	3,684,809.90	5,346,476.52
Working capital fund, earnings	17,247.31	44,532.61
Government Printing Office, earnings	5,194,802.14	5,770,101.03
Health, Education, and Welfare Department, Public Health Service, narcotic hospitals, working capital fund, earnings	----------	5,374.63
Housing and Home Finance Administrator:		
College housing loans, interest on borrowings	25,314,431.40	32,502,241.53
Public facility loans, interest on borrowings	2,006,416.07	2,709,139.47
Urban renewal fund, interest on borrowings	3,226,513.29	4,943,793.61
Interior Department:		
Bureau of Reclamation:		
Colorado River Dam fund, Boulder Canyon project, interest	3,081,323.82	3,029,706.88
Virgin Islands Corporation:		
Interest on appropriations and paid-in capital	310,611.94	319,960.94
Interest on borrowings	35,816.87	44,355.13
Panama Canal Company, interest on net direct investment of the Government	9,364,406.00	10,006,130.50
Public Housing Administration, low rent public housing program fund, interest on borrowings	1,127,578.40	1,440,845.75
Rural Electrification Administration, interest on borrowings	67,797,047.47	70,844,765.12
St. Lawrence Seaway Development Corporation, interest on borrowings	2,165,000.00	2,200,000.00
Secretary of the Treasury (Federal Civil Defense Act of 1950, as amended), interest on borrowings	19,294.47	13,243.26
Small Business Administration, interest on appropriations	14,248,587.62	20,149,198.60
Tennessee Valley Authority:		
Earnings	36,541,639.64	38,874,542.80
Interest on borrowings	----------	147,649.79
Treasury Department:		
Federal Farm Mortgage Corporation liquidation fund,[1] dividends	360,340.40	533,557.46
U.S. Information Agency, informational media guaranty fund, interest on borrowings	609,592.00	570,542.00
Veterans' Administration:		
Canteen service revolving fund, profits	35,129.00	1,500,000.00
Direct loans to veterans and reserves, interest on borrowings	40,049,945.44	47,474,392.36
Rental, maintenance, and repair of quarters, profits	10,386.20	----------
Veterans' special term insurance fund, earnings	4,000,000.00	----------

Footnote at end of table.

TABLE 114.—*Dividends, interest, and similar earnings received by the Treasury from Government corporations and certain other business-type activities, fiscal years 1962 and 1963*—Continued

Agency and nature of earnings	Amounts	
	1962	1963
Defense Production Act of 1950, as amended:		
Export-Import Bank of Washington, interest on borrowings	$106,926.98	
General Services Administration, interest on borrowings	4,182,115.69	
Secretary of Agriculture, interest on borrowings		$1,477,236.86
Secretary of the Interior (Defense Minerals Exploration Administration), interest on borrowings	99,861.87	1,480,000.00
Secretary of the Treasury, interest on borrowings	3,470,904.33	3,371,196.27
Total	848,207,876.65	731,024,221.50

[1] This Corporation was abolished and its remaining assets were transferred from the Farm Credit Administration to the Secretary of the Treasury for liquidation pursuant to an act approved Oct. 4, 1961 (12 U.S.C. 1020 note).

Government Losses in Shipment

TABLE 115.—*Government losses in shipment revolving fund, June 30, 1963*

[Established July 8, 1937, under authority of the Government Losses in Shipment Act, as amended (5 U.S.C. 134-134h)]

SECTION I—STATUS OF FUND

Transactions	Cumulative through June 30, 1962	Fiscal year 1963	Cumulative through June 30, 1963
Receipts:			
Appropriation	$802,000.00		$802,000.00
Transferred from securities trust fund pursuant to: 5 U.S.C. 134b	91,803.13		91,803.13
Transferred from the account "Unclaimed Partial Payments on U.S. savings bonds" pursuant to:			
Public Law 85-354	50,000.00		50,000.00
Public Law 86-561	100,000.00		100,000.00
Public Law 87-575		$525,000.00	525,000.00
Recoveries of payments for losses	481,223.39	196.25	481,419.64
Repayments to the fund	3,924.32		3,924.32
Total receipts	1,528,950.84	525,196.25	2,054,147.09
Expenditures:			
Payment for losses	1,504,535.12	536,691.03	2,041,226.15
Other payments (refunds, etc.)	92.57		92.57
Total expenditures	1,504,627.69	536,691.03	2,041,318.72
Balance in fund	24,323.15	−11,494.78	12,828.37

NOTE.—This statement excludes contingent liabilities for pending claims against the fund as of June 30, 1963, totaling $246,137.92, chiefly for forged U.S. savings bonds.

SECTION II—AGREEMENTS OF INDEMNITY ISSUED BY THE TREASURY DEPARTMENT

Agreements of indemnity [1]	Number	Amount
Issued through June 30, 1962	435	$2,772,799.76
Issued during the fiscal year 1963	11	32,952.77
Total issued	446	2,805,752.53
Canceled through June 30, 1963	31	1,028,192.03
In force as of June 30, 1963	415	1,777,560.50

[1] The Government has not sustained any actual monetary loss in connection with its liability under these agreements of indemnity.

TABLE 115.—*Government losses in shipment revolving fund, June 30, 1963*—Con.

SECTION III—CLAIMS MADE AND SETTLED

Claims	Number	Amount
Received:		
Through June 30, 1962	6,582	$7,806,756.41
During fiscal year 1963 and processed by:		
Bureau of Accounts	86	55,141.74
Bureau of the Public Debt	142	491,531.90
Total claims received through June 30, 1963	6,810	8,353,430.05
Settled:		
Through June 30, 1962	6,576	7,764,083.56
During fiscal year 1963 and processed by:		
Bureau of Accounts:		
For payment out of the fund	8	44,876.13
For credit in appropriate accounts	75	46,744.15
Without payment or credit	6	5,610.82
Bureau of the Public Debt:		
For payment out of the fund:		
U.S. savings bonds redemption cases	138	490,281.59
Armed Forces leave bonds redemption cases	5	1,533.31
Total claims settled through June 30, 1963	6,808	8,353,129.56
Unadjusted as of June 30, 1963 [1]	2	300.49
Total	6,810	8,353,430.05

[1] Consists of claims in process of adjustment by the Bureau of the Public Debt.

Personnel

TABLE 116.—*Number of employees in the departmental and field services of the Treasury Department quarterly from June 30, 1962, to June 30, 1963* [1]

Organizational unit	June 30, 1962	Sept. 30, 1962	Dec. 31, 1962	March 31, 1963	June 30, 1963	Increase, or decrease (—), since June 30, 1962
Office of the Secretary	728	719	740	739	779	51
Comptroller of the Currency, Bureau of	1,299	1,392	1,543	1,470	1,521	222
Customs, Bureau of	8,929	9,039	8,969	8,925	9,066	137
Engraving and Printing, Bureau of	2,943	2,940	2,916	2,902	2,938	−5
Fiscal Service:						
Accounts, Bureau of	1,815	1,753	1,730	1,772	1,730	−85
Public Debt, Bureau of	2,219	2,237	2,127	2,140	2,159	−60
Treasurer, Office of	998	958	983	984	1,022	24
Internal Revenue Service	56,510	56,554	57,060	[2] 63,112	59,486	2,976
Mint, Bureau of	1,051	1,077	1,080	1,097	1,084	33
Narcotics, Bureau of	422	422	418	417	431	9
U.S. Coast Guard	4,894	4,946	4,900	5,025	5,035	141
U.S. Savings Bonds Division	526	526	529	527	531	5
U.S. Secret Service	702	731	743	783	797	95
Total civilian employees	83,036	83,294	83,648	89,893	86,579	3,543
Military employees—U.S. Coast Guard	31,511	31,812	31,720	31,756	31,660	149
Grand total	114,547	115,106	115,368	121,649	118,239	3,692

[1] Actual number of employees on last day of month and any intermittent employees who worked at any time during the month.
[2] Includes seasonal employees.

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